



Honeoye Storage Corporation

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December 1, 2023

The Hon. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Honeoye Storage Corporation, Docket No. RP24-226-000

Dear Secretary Bose:

Pursuant to Section 4 of the Natural Gas Act¹ and Part 154 of the Federal Energy Regulatory Commission's ("Commission") Regulations, 18 C.F.R. § 154, Honeoye Storage Corporation ("Honeoye" or "Company") hereby submits for electronic filing the tariff records listed on Appendix A hereto, proposing changes to its FERC Gas Tariff Volume No. 1A ("tariff"), with a proposed effective date of January 1, 2024. The proposed tariff records are being submitted in accordance with Section 154.204 of the Commission's regulations.²

Statement of Nature Reason and Basis For Filing

Honeoye provides contract storage services at market-based rates under Part 284 of the Commission's regulations.³ Specifically, Honeoye provides Part 284 services under Rate Schedules FSS, PNFSS, ISS and PAL.

As discussed in more detail below, the purpose of this filing is to amend Honeoye's Part 284 tariff in the following ways:

- (1) To update and clarify Rate Schedule PNFSS and related portions of the tariff and forms of service agreement to include overrun rates and related clarifications;

¹ 15 U.S.C. § 717c.

² 18 C.F.R. § 154.204.

³ *Honeoye Storage Corp.*, 91 FERC ¶ 62,165 (2000).

- (2) To update and clarify other portions of the tariff to fully conform the tariff with Rate Schedule PNFSS;
- (3) To update and clarify general statements of rates in the Currently Effective Rates schedule, the Service Request Form, and forms of service agreement to more fully harmonize the schedules with each other and the tariff;
- (4) To provide the ability to track “producer certified gas” for certain customers, and to clarify other billing and payment language in the General Terms and Conditions;
- (5) To update and revise Honeoye’s tariff by removing certain limitations on liability that are inconsistent with Commission policy;
- (6) To revise and clarify various definitions in Honeoye’s General Terms and Conditions;
- (7) To reserve the right to purchase gas to manage Honeoye’s system; and
- (8) To address a number of other miscellaneous clarifications and corrections throughout the tariff.

A. Add Overrun Rates to Rate Schedule PNFSS and related tariff updates and clarifications

To more clearly recognize and communicate the methods by which customers seek to utilize and purchase Rate Schedule PNFSS, Honeoye is including overrun injection and withdrawal rates as reflected in revisions to Section 4.6 of Rate Schedule PNFSS. These overrun rates will clarify that Honeoye is authorized to charge, and customers may purchase, overrun services under Rate Schedule PNFSS as customers do pursuant to Honeoye’s other rate schedules. Pursuant to Honeoye’s market-based rate authority, Honeoye will provide overrun service under Rate Schedule PNFSS at market-based rates.

To fully incorporate the inclusion of overrun rates in Rate Schedule PNFSS, Honeoye has made conforming changes to the schedule of Currently Effective Rates, to the definition of “Storage Overrun Quantity” in Section 1.33 of Honeoye’s General Terms and Conditions (“GT&C”), to the Service Request Form, and to Exhibit “A” to the Form of Service Agreement for Rate Schedule PNFSS.

To the extent that the clarification of the ability to charge overrun rates for this existing market-based rate service is a material change in the service provided, Honeoye submits that the clarification is just and reasonable, and supported by the Commission’s prior findings that market-based rates are just and reasonable for Honeoye’s firm, interruptible and PAL services.⁴ What was stated when Honeoye first instituted Rate Schedule PNFSS remains true: The dispositive facts and circumstances that led the Commission to approve market-based rates for Honeoye have not changed in any meaningful manner since Honeoye’s market-based rates were approved and

⁴ *Honeoye Storage Corp.*, 91 FERC ¶ 62,165 (2000); *Windy Hill Gas Storage, LLC*, 119 FERC ¶ 61,291 at PP 90-93 (2007).

Honeoye's percentage of the storage capacity and deliverability of the Pennsylvania-New York market has continued to reduce as a result of new storage projects placed into service.⁵

B. Conform and Harmonize Tariff With Rate Schedule PNFSS

Upon review of its tariff, Honeoye discovered minor inconsistencies in its currently effective tariff with respect to Rate Schedule PNFSS and its harmonization with the tariff. To fully harmonize and clarify the tariff's reflection of Rate Schedule PNFSS, Honeoye has included clarifying references to Priority Non-Firm Storage Service in Sections 10.1, 10.2 and 10.3 of Honeoye's GT&C and in the creditworthiness provision in Section 11.5 of its GT&C.

C. Conform and Harmonize Statement of Rates, Service Request Form and Forms of Service Agreements

Upon review of its tariff, Honeoye discovered some inadvertent inconsistencies between its schedule of Currently Effective Rates, various rate schedules, the service request form and forms of service agreement. To avoid potential future confusion, Honeoye has revised the Currently Effective Rates, the service request form and forms of service agreement to fully reflect the rates schedules that have been previously approved by the Commission.

These changes affect the following provisions:

- Schedule of Currently Effective Rates;
- Service Request Form;
- Rate Schedule FSS Form of Service Agreement;
- Rate Schedule PNFSS Form of Service Agreement;
- Rate Schedule ISS Form of Service Agreement;
- Rate Schedule PAL Form of Service Agreement; and
- GT&C Section 2.2 – Requests for Service.

⁵ In Honeoye's filing of Rate Schedule PNFSS, the Company noted that since 2000, the Commission had certificated a number of increases in storage capacity and deliverability in the Pennsylvania/New York market, citing *Central New York Gas and Oil Co.*, 94 FERC ¶ 61,194 (2001), *Central New York Gas and Oil Co.*, 116 FERC ¶ 61,277 (2006), *Central New York Gas and Oil Co.*, 134 FERC ¶ 61,035 (2011), *Central New York Gas and Oil Co.*, 94 FERC ¶ 61,194 (2011). See also *Arlington Storage Co.*, 125 FERC ¶ 61,306 (2008) (granting Arlington Storage Co.'s request for certificate authority to construct storage facilities to develop approximately 7.0 Bcf of working gas storage capacity for the project). Since the 2012 filing, additional storage capacity has been authorized to be added to the region, see *Equitrans, L.P.*, 181 FERC ¶ 62,095 (2022); and the Commission has found little change in the Pennsylvania-New York market. See *Central New York Oil and Gas Co., LLC*, 153 FERC ¶ 61,278 (2015) (accepting conclusions of CNYOG's market power study, which study included a finding showing Honeoye's market share of regional working gas and deliverability of 0.30 percent and 0.29 percent respectively, or 1.17 percent and 0.55 percent, respectively, if adjusted to remove local production).

Except for the addition to Rate Schedule PNFSS of overrun rates described previously, all revisions described above reflect rates approved by prior Commission order⁶ and thus are only for purposes of harmonizing the tariff and providing more clarity to Honeoye's rates.

D. Billing and Payment Provisions: Producer Certified Gas Tracking and Other Revisions

On June 30, 2022, the Commission authorized Tennessee Gas Pipeline, L.L.C. ("Tennessee") to make certain changes to its tariff to allow for transportation of so-called "producer certified gas" under a "Producer Certified Gas Pooling Service Option."⁷ Under this provision, supply aggregator customers under Tennessee's Rate Schedule SA may submit a form to Tennessee certifying that the aggregator has "met the PCG Criteria," which are available on Tennessee's informational postings website.⁸ The Commission described the new option as follows:

This free, voluntary service presents shippers with an option, not a requirement, to designate certain physical gas traded at its pooling points as PCG. Shippers that already execute bilateral trades of certified gas on the Tennessee system may continue to do so regardless of Tennessee's PCG Pooling Service Option. This option will not affect Tennessee's existing pooling service or any other services, but rather, is a voluntary indicator that provides additional information on certain gas pooled under Tennessee's existing pooling service.⁹

Because of where Honeoye Storage Field is directly connected to Tennessee, its location is between pooling areas subject to the PCG Pooling Service Option and therefore Honeoye is along transportation paths in which PCG may be transported on Tennessee. One of Honeoye's customers requested Honeoye to propose tariff language providing the option to track volumes transported under Tennessee's PCG pooling option delivered to and from Honeoye at its interconnection with Tennessee, and accordingly Honeoye has modified its tariff to allow for tracking of such gas through monthly invoices.

Under the revisions to Honeoye's Billing and Payment provisions, Honeoye provides a customer the option to separately track PCG held in storage as a portion of that customer's inventory. For example, if a customer utilizing Tennessee's Rate Schedule SA to move PCG injects gas to store 15,000 Dth on a given day, that customer may notify Honeoye that 10,000 Dth

⁶ *Honeoye Storage Corp.*, 91 FERC ¶ 62,165 (2000) (certificate order authorizing Honeoye to charge market-based rates for firm and interruptible storage service); *Honeoye Storage Corp.*, FERC Docket No. RP12-854-000, -001, and -002 (letter order dated August 9, 2012) (accepting Rate Schedule PNFSS and other revisions to Honeoye's tariff); and *Honeoye Storage Corp.*, 135 FERC ¶ 61,275 (2011) (accepting Rate Schedule PAL and revisions to Rate Schedules FSS and ISS).

⁷ *Tennessee Gas Pipeline Company, L.L.C.*, 179 FERC ¶ 61,233, order addressing arguments on reh'g, 181 FERC ¶ 61,063 (2022).

⁸ See *Tennessee Gas Pipeline Co., L.L.C.*, FERC NGA Gas Tariff, Sixth Revised Vol. N. 1, Sheet No. 270, Section 2.3.

⁹ *Tennessee Gas Pipeline Co., L.L.C.*, 179 FERC ¶ 61,233, P.16 (2022).

is PCG, and 5,000 is non-PCG. Then when that customer seeks to withdraw gas, it may debit its “PCG” account against the amounts credited. Thus, Honeoye will maintain an account of amounts designated as PCG for changes within the month, and for billing statement purposes.

This provision expressly states that this invoicing option shall not relieve the “Tennessee PCG Customers” who utilize the option of any obligation, including fuel charges, use charges, or other charges in the service agreement, and that a customer must schedule and store sufficient gas to maintain its accounting of PCG Designated Gas. For example, under a service agreement with a 1% fuel charge on injection, and a 1% fuel charge on withdrawal, to maintain 10,000 Dth of PCG Designated Gas following withdrawal and delivery to Tennessee, a Customer would be required to deliver 10,203 Dth for injection to provide sufficient gas for fuel charges on both injection and subsequently on withdrawal.¹⁰

Such tracking will only be a billing function and will not affect any services or the physical properties of gas, as Honeoye’s receipts necessarily depend upon Tennessee’s gas quality, and the Commission has determined that PCG has no effect on TGP’s gas quality.¹¹ Furthermore, Honeoye has not proposed to make any determinations as to whether gas is in fact PCG, and will simply allow customers to notify Honeoye if any portions of its deliveries are subject to Tennessee’s PCG option, and to thus have scheduling control over quantities specifically subject to Tennessee’s PCG provisions. Therefore, this provision is limited only to Honeoye customers that also utilize Tennessee’s PCG option in order to provide customers additional scheduling flexibility and to more fully be able to use Tennessee’s PGC option.

Separately, Honeoye clarifies Sections 8.1 and 8.2 to ensure it is clear that certain billing and payment provisions apply following the month for which service has been rendered. Honeoye also updates the applicable interest rate applicable to unpaid invoices, and makes miscellaneous stylistic and typographical clarifications to Sections 8.1, 8.2 and 8.4.

E. Limitations on Liability

The Commission has clarified that, “Even when a pipeline lacks market power, requiring a pipeline to be liable for direct damages for their simple negligence gives service providers a powerful incentive to operate their systems in a reasonable and prudent manner.”¹² Honeoye’s existing tariff states that “Seller [Honeoye] shall not be liable in damages to Customer other than for acts of gross negligence or willful misconduct and then only where force majeure does not apply.”¹³ Because this provision is no longer in compliance with Commission policy, Honeoye has revised its tariff to remove this language from Section 9.2 of its GT&C, and to revise its Miscellaneous liability provision in Section 11.9 of its GT&C to include language nearly identical

¹⁰ 10,203 Dt * 0.01=102 Dth, which is the injection fuel charge. The amount held in storage following injection is thus 10,101. To withdraw that same amount, the fuel charge would be 10,101*0.01=101 Dth, thus 10,000 Dth is delivered to Tennessee after the fuel charge.

¹¹ *Tennessee Gas Pipeline Co., L.L.C.*, 179 FERC ¶ 61,233, P.18 (“nothing in Tennessee’s proposal would treat gas qualifying as PCG differently from any other gas for purposes of Rate Schedule SA.”).

¹² *ANR Storage Co.*, 169 FERC ¶ 61,267, P.22 (2019) (citing *Enable Gas Transmission, LLC*, 152 FERC ¶ 61,052, at P.149 (2015) (*Enable*)); see also *Transcontinental Gas Pipe Line, LLC*, 160 FERC ¶ 61,039 P.10 (2017) (citing *Enable* at P.161 and *CenterPoint Energy Gas Transmission Co., LLC*, 144 FERC ¶ 61,195 (2013)).

¹³ See Section 9.2 of the General Terms and Conditions (“GT&C”) of Honeoye’s tariff.

to provisions that have been approved in prior Commission orders in compliance with current Commission policy. The revised language that is applicable to general circumstances of liability not otherwise provided for in the tariff aligns with Commission policy by placing Commission-accepted limits¹⁴ on liability applicable to simple negligence, but expressly removing limits on parties' liability arising out of gross negligence, willful misconduct, or bad faith actions.

F. Revise and Clarify Various Definitions

Honeoye clarifies and updates certain definitions under Section 1 of its GT&C, including “EBB,” “EDM,” “Month,” “Wire Transfer,” and “Tender” and related defined terms in GT&C Section 1.34.¹⁵

With respect to the clarifications to EBB and EDM, Honeoye also has revised references in other portions of the tariff to the EBB, EDM and informational postings website, to further distinguish and clarify the terms such that Honeoye's website, www.honeoyestorage.com, is understood to be its informational postings website, whereas its EBB is its customer-facing interface. “EDM” has been clarified to match other instances in Honeoye's tariff and so that it is consistent with usage by the North American Energy Standards Board. Consistent with these modifications, Honeoye has revised various provisions in its tariff.¹⁶

G. Update System Inventory Management Provisions

Honeoye's existing system inventory management provision authorizes the sale of natural gas for the purpose of managing its system. Historically, Honeoye has utilized this provision for the sale of excess gas and is not currently aware of any needs for purchasing gas for system inventory management. However, in order to ensure it has the right if the need arises, Honeoye has modified its tariff to also clearly identify the right to purchase gas for inventory management purposes. Honeoye has also revised this provision to conform with clarifications regarding the EBB and website.

H. Miscellaneous Clarifications and Corrections

Honeoye updates notice and contact information (1 – Title Page; 10 – GT&C Section 2 Requests for Service; 21 – GT&C Section 13 Electronic Bulletin Board; Service Request Form), and makes miscellaneous stylistic and typographical clarifications in the following provisions:

- Preliminary Statement (to reflect updated name for Tennessee Gas Pipeline Company, L.L.C.);
- Rate Schedule ISS (to correct minor typos in sections 2 and 7);

¹⁴ See *Transcontinental Gas Pipe Line, LLC*, 160 FERC ¶ 61,039 (2017).

¹⁵ As described above, Honeoye also updates the definition of “Storage Overrun Quantity” to conform with changes described to Rate Schedule PNFSS.

¹⁶ Rate Schedule FSS, Section 7.1(a)(6), (e), (g), Section 7.2, Section 7.5, Section 7.11; GT&C 2.9; GT&C 10.1(a) and (b), GT&C 10.2(a); and GT&C 17.

- Rate Schedule PAL (to correct minor typo in Section 2(b), conform Section 7 heading);
- GT&C Section 2 (various stylistic and typographical clarifications throughout in section 2.2, 2.8);¹⁷
- GT&C Section 6.14 (minor clarifications, stylistic and typographical modifications);
- GT&C Section 7.2 (heading conformance);
- GT&C Section 10.1, 10.2 (add PNFSS reference, as noted above, and make typographical clarifications);
- GT&C Section 10.3 (clarify and conform use of “Priority Non-Firm” and “Interruptible Storage Services” for consistency with other portions of tariff; clarify references to GT&C Section 4.1(c));
- GT&C 11.5 – (add PNFSS reference, as noted above, and other minor updates);¹⁸
- GT&C 15 – (minor stylistic and typographical clarifications); and
- Update/conform usage of “Tender” for consistency with definition (Rate Schedules FSS, ISS, PAL; PNFSS, GT&C Section 2; and GT&C Section 4.).

I. Proposed Effective Date

Honeoye proposes that the tariff records filed herein become effective on January 1, 2024.

J. Waiver

Honeoye respectfully requests that the Commission grant any waivers that it may deem necessary to accept this filing and to place the filed tariff section into effect as requested herein.

K. Implementation

Pursuant to 18 C.F.R. §154.7(a)(9) of the Commission’s regulations, Honeoye moves to place the revised tariff records into effect at the expiration of any suspension period set by the Commission, provided that the tariff changes are approved as filed and without condition. In the event the tariff record filed herewith is not approved as filed and without condition, Honeoye reserves the right to file a motion at a later date to place such tariff record into effect.

¹⁷ Other modifications to GT&C Section 2 are described above in connection with clarifications to references to Honeoye’s EBB, EDM, and informational postings website; contact information; and conforming with rate schedules and forms of service agreements.

¹⁸ Modifications to Section 11.9 with regards to liability are described above.

L. Materials Submitted

In accordance with Section 154.7(a)(1) of the Commission's regulations, the following material is submitted herewith:

An eTariff XML filing package contains:

- (1) The tariff records in RTF format with metadata attached;
- (2) A transmittal letter in PDF format;
- (3) A clean version of the tariff records in PDF format for publishing in eLibrary;
- (4) A redline version of the tariff records pursuant to 18 C.F.R. §154.201(a) of the Commission's regulations; and
- (5) A copy of the complete filing in PDF format for publishing in eLibrary.

M. Service and Correspondence

Copies of this filing are being posted in accordance with Section 154.207 of the Commission's regulations, 18 C.F.R. § 154.207. In accordance with Section 154.208 of the Commission's regulations, 18 C.F.R. § 154.208, copies of this filing are being served electronically on Honeoye's customers and interested state commissions.

The names, titles, and mailing addresses of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

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Honeoye respectfully requests that the Commission accept the proposed tariff record and grant all necessary waivers of the Commission's regulations for its revised tariff record to become effective on January 1, 2024.

All questions regarding this filing should be directed to the undersigned at (646) 831-6784.

Respectfully submitted,

Honeoye Storage Corporation

/s/ **Stuart Nachmias**

Stuart Nachmias

President

Enclosures

APPENDIX A

Tariff Records Submitted For Electronic Filing

- 1 – Title Page (2.0.0)
- 3 – Preliminary Statement (1.0.0)
- 5 – Currently Effective Rates (3.0.0)
- 6 – Rate Schedule FSS (9.0.0)
- 6.1 – Rate Schedule PNFSS (3.0.0)
- 7 – Rate Schedule ISS (3.0.0)
- 7.1 – Rate Schedule PAL (3.0.0)
- 9 – GT&C Section 1. Definitions (3.0.0)
- 10 – GT&C Section 2. Request for Service (3.0.0)
- 12 – GT&C Section 4. Nominations (3.0.0)
- 14 – GT&C Section 6. Measurement and Measurement Equipment (1.0.0)
- 15 – GT&C Section 7. Quality (1.0.0)
- 16 – GT&C Section 8. Billing and Payment (7.0.0)
- 17 – GT&C Section 9. Force Majeure (1.0.0)
- 18 – GT&C Section 10. Priority of Service Requests and Service Agreements (8.0.0)
- 19 – GT&C Section 11. Miscellaneous (9.0.0)
- 21 – GT&C Section 13. Electronic Bulletin Board (1.0.0)
- 23 – GT&C Section 15. Title Transfers of Gas in Storage (7.0.0)
- 25 – GT&C Section 17. System Inventory Management (1.0.0)
- 27 – Service Request Form (3.0.0)
- 28 – Form of FSS Service Agreement (4.0.0)
- 28.1 – Form of PNFSS Service Agreement (4.0.0)
- 29 – Form of ISS Service Agreement (8.0.0)
- 30 – Form of PAL Service Agreement (8.0.0)

CLEAN TARIFF

FERC GAS TARIFF

Volume No. 1A

of

HONEOYE STORAGE CORPORATION

Filed With The

Federal Energy Regulatory Commission

Communication Concerning This Tariff
Should Be Addressed To:

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PRELIMINARY STATEMENT

Honeoye Storage Corporation (“HSC” or “Seller”), a New York corporation, owns and operates a natural gas storage facility and related compression equipment and pipelines, collectively known as the Honeoye Storage Project, located in Ontario County, New York. The Honeoye Storage Project receives, injects, stores, withdraws and delivers natural gas transported in interstate commerce subject to jurisdiction of the Federal Energy Regulatory Commission. The facilities are connected to Tennessee Gas Pipeline Company, L.L.C. (“Tennessee”).

This Volume No. 1A of the FERC Gas Tariff of HSC contains the Rates and Charges, Rate Schedules, Forms of Service Agreements and the General Terms and Conditions applicable to open-access storage service and other services performed by HSC.

CURRENTLY EFFECTIVE RATES

FIRM STORAGE SERVICE (FSS)*

	RATE	UNITS
1. Reservation Rate		
Deliverability Reservation Rate	Market Based/ Negotiable	
Capacity Reservation Rate	Market Based/ Negotiable	
2. Injection/Withdrawal Rates		
Injection Rate	Market Based/ Negotiable	
Overrun Injection Rate	Market Based/ Negotiable	
Withdrawal Rate	Market Based/ Negotiable	
Late Withdrawal Rate	\$1/Dth/Day	
Overrun Withdrawal Rate	Market Based/ Negotiable	

*All quantities of natural gas are measured in dekatherms (Dth)

CURRENTLY EFFECTIVE RATES (Cont.)

PRIORITY NON-FIRM STORAGE SERVICE (PNFSS)*

	RATE
PNFSS Quantity Rate	Market Based/Negotiable
Injection Rate	Market Based/Negotiable
Withdrawal Rate	Market Based/Negotiable
Late Withdrawal Rate	\$1/Dth/Day
Overrun Storage Commodity Rate	Market Based/Negotiable
Overrun Injection Rate	Market Based/Negotiable
Overrun Withdrawal Rate	Market Based/Negotiable

INTERRUPTIBLE STORAGE SERVICE (ISS)*

	RATE
Injection Rate	Market Based/Negotiable
Withdrawal Rate	Market Based/Negotiable
Inventory Rate	Market Based/Negotiable
Late Withdrawal Rate	\$1/Dth/Day
Overrun Storage Commodity Rate	Market Based/Negotiable

INTERRUPTIBLE PARKING AND LENDING SERVICE (PAL)*

	RATE
Interruptible PAL Charge	Market Based/Negotiable
Interruptible PAL Injection Charge	Market Based/Negotiable
Interruptible PAL Withdrawal Charge	Market Based/Negotiable
Interruptible PAL Overrun Charge	Market Based/Negotiable
Interruptible PAL Late Withdrawal Charge	\$1/Dth/Day

FUEL USE- FSS, PNFSS, AND ISS

RATE	UNITS
Fixed	Dth

Seller will bill Customer each month for gas lost or unaccounted for in Seller's operations at the rate of one percent (1.0%) of the gas injected on Customer's behalf in the preceding month and at the rate of one percent (1.0%) of the gas withdrawn on Customer's behalf in the preceding

month.

*All quantities of natural gas are measured in dekatherms (Dth).

RATE SCHEDULE FSS
FIRM STORAGE SERVICE

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of natural gas storage service from Honeoye Storage Corporation (hereinafter referred to a "Seller"), when:

- (a) Seller has determined that it has sufficient available and uncommitted storage capacity or capacity released in accordance with Section 7 of this Rate Schedule FSS to perform service requested by Customer (Seller is not required to provide any requested services for which it does not have such available capacity); and
- (b) Customer and Seller have executed a Service Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Storage Service that is rendered by Seller for Customer pursuant to an executed Agreement under this Rate Schedule.

Storage Service rendered by Seller under this Rate Schedule shall consist of:

- (a) The receipt of Gas on behalf of Customer at the Point of Injection/Withdrawal at daily quantities up to the Maximum Daily Injection Quantity plus Seller's Injection Use;
- (b) The Storage of Gas in quantities not to exceed the Maximum Storage Quantity, except as provided for in Section 6 of this Rate Schedule; and
- (c) The Tender of Gas for redelivery by Seller to or for the account of Customer at the Point of Injection/Withdrawal at a quantity not to exceed Customer's Working Storage Gas at daily quantities up to the Maximum Daily Withdrawal Quantity reduced by Seller's Withdrawal Use.
- (d) The receipt of Gas on behalf of Customer and redelivery of Gas for the account of Customer in excess of its applicable Maximum Daily Injection Quantity and Maximum Daily Withdrawal Quantity on a reasonable efforts basis by Seller when required to allow Customer full utilization of its Maximum Storage Quantity.
- (e) Firm Storage Service under this Rate Schedule shall be firm up to the Maximum Storage Quantity and firm up to the Maximum Daily Withdrawal Quantity and Maximum Daily Injection Quantity on any day. The Maximum Storage Quantity, the Maximum Daily Injection Quantity and the Maximum Daily

Withdrawal Quantity shall be specified in the executed Agreement. Notwithstanding the foregoing, Seller will use reasonable efforts to permit Customer to inject or withdraw Gas pursuant to Section 6 of this Rate Schedule FSS.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Volume No. 1A FERC Gas Tariff are applicable to this Rate Schedule, and are specifically incorporated herein by reference.

4. RATES AND CHARGES

The amounts which shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the charges due under the subsections of this Section 4 and charges under Section 5 that are applicable to Customer for such Month, computed by use of the applicable rates set forth in this Rate Schedule FSS and in the Customer's Agreement which are effective during such Month or portions thereof. Customer's Agreement will reflect the rates agreed to by Seller and Customer and may or may not include each of the billing components set forth below.

Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent. If, at initiation of service, service is provided for only a portion of a Month, any applicable reservation fee shall be prorated for the number of days that service is provided.

4.1 Unless otherwise agreed to by Seller and Customer, the following Storage Charges will apply:

(a) Reservation Charges:

- (1) The FSS Deliverability Reservation Rate shall be paid each Month of the term of the service agreement for each Dekatherm of Customer's Maximum Daily Withdrawal Quantity;
- (2) The FSS Capacity Reservation Rate shall be paid each Month of the term of the service agreement for each Dekatherm of Customer's Maximum Storage Quantity.
- (3) If, due to Seller's scheduling of necessary maintenance of pipeline facilities, events of force majeure, necessary maintenance of compression facilities and/or facility outages for tie-in of new facilities, Seller fails to Tender for redelivery or accept for storage injection at the Point of Injection/Withdrawal for the account of Customer during any Day the quantity of Gas that Customer has so nominated for such day up to a Customer's Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity, as

applicable, then subject to the provisions of the General Terms and Conditions, Customer's Monthly bill shall be reduced by an amount equal to the product of

(a):

$$((A \times B)/C + D)/E$$

Where:

A = Deliverability Reservation Rate

B = Maximum Daily Withdrawal Quantity

C = Maximum Storage Quantity

D = Capacity Reservation Rate

E = The Number of Days in the Month

and

(b): the difference between such quantity of Gas nominated for injection or withdrawal up to the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity, as applicable, and the applicable quantity actually injected or withdrawn by Seller for the account of Customer during such Day. Such reductions of Seller's Reservation Charges shall not be applicable if Seller and Customer agree upon and place into effect the makeup of such injection deficiency or withdrawal deficiency under mutually acceptable terms.

(b) Commodity Charge:

The Injection/Withdrawal Rate shall be paid each Month for each Dekatherm of Gas which is delivered by Seller to or for the account of Customer and each Dekatherm of Gas Customer delivers or causes to be delivered at the Point of Injection/Withdrawal during the Month. Such charges shall be applicable both on injection and on withdrawal.

4.2 Overrun Service Charge: An Overrun Service Charge shall be paid for each Dekatherm of service provided on behalf of Customer pursuant to Section 6 of this Rate Schedule. As set forth in the Customer's Agreement, the Overrun Service Charge shall consist of the Overrun Injection Rate for each Dekatherm of Gas the Customer delivers or causes to be delivered at the Point of Injection/Withdrawal in excess of the Customer's Maximum Daily Injection Quantity and the Overrun Withdrawal Rate for each Dekatherm of Gas which is delivered to or for the account of the Customer in excess of the Customer's Maximum Daily Withdrawal Quantity.

- 4.3 Seller's Fuel Use Charge: Seller will bill Customer each month for gas lost or unaccounted for in Seller's operations at the rate of (1) one percent (1.0%) of the gas injected on Customer's behalf in the preceding month, and (2) one percent (1.0%) of the gas withdrawn on Customer's behalf in the preceding month.
- 4.4 Regulatory Fees and Charges. Customer shall reimburse Seller for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, including, but not limited to, the Commission's Annual Charge Adjustment (ACA).

5. ADDITIONAL CHARGES

- 5.1 Commission and Other Regulatory Fees: Customer shall reimburse Seller for its allocable share of all fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule including, but not limited to, filing, reporting and application fees.
- 5.2 Other Charges: Customer shall pay its allocable share of any other charges applicable to service hereunder authorized by the Commission or any other successor agency having jurisdiction.

6. STORAGE OVERRUN SERVICE

- 6.1 Customer may request Seller to inject quantities greater than Customer's Maximum Daily Injection Quantity. If Seller has injection capacity available, and can do so without adverse affect on Seller's operations or its ability to meet its higher priority obligations as specified in paragraph 10 of the General Terms and Conditions of this tariff, Seller may inject such quantities and Customer shall pay Seller for such injections at the Overrun Injection Charge set forth in Customer's Agreement.
- 6.2 Customer may request Seller to withdraw quantities greater than Customer's Maximum Daily Withdrawal Quantity. If Seller has withdrawal capacity available, and can do so without adverse affect on Seller's operations or its ability to meet its higher priority obligations as specified in paragraph 10 of the General Terms and Conditions of this tariff, Seller may withdraw such quantities and Customer shall pay Seller for such withdrawals at the Overrun Withdrawal Charge set forth in Customer's Agreement.
- 6.3 Customer may not inject gas into storage pursuant to this rate schedule if the quantity of Customer's Gas in storage equals Customer's Maximum Storage Capacity.
- 6.4 Customer may not withdraw gas from storage in excess of the quantity of

Customer's Gas that is actually in storage at any given time.

- 6.5 Seller shall have the right to interrupt all or part of the overrun quantity nominated as the operation of its storage facilities may require pursuant to Section 4 of the General Terms and Conditions of this FERC Gas Tariff in which event Seller shall notify Customer.

7. CAPACITY RELEASE

Any Customer or Replacement Customer under Rate Schedule FSS shall be entitled to release all or a portion of its capacity to Seller for resale. Additionally, Customer may release its capacity on a volumetric basis.

Any Customer or Replacement Customer releasing capacity will be designated a Releasing Customer. Any person purchasing released capacity shall be designated a Replacement Customer. Any Customer that wants to release capacity must notify Seller that it wants to release capacity and the terms and conditions of such release.

7.1. BIDDABLE CAPACITY RELEASES.

- (a) Unless a proposed release is exempt from bidding as set forth in Section 7.2 hereof, Releasing Customer shall communicate its offer to release notice through Seller's EBB. The Releasing Customer shall submit the following information, objectively stated and applicable to all potential Customers on a non-discriminatory basis:
- (1) the pricing provisions of the offer to release; any maximum/minimum rates specified by the Releasing Customer should include all demand charges as a total number or as stated separately. For releases of one year or less, that will take effect on or before one year from such release notice, the maximum and/or minimum rates may exceed the maximum rate the Releasing Customer is contractually obligated to pay, and such rates shall not be subject to refund;
 - (2) the specific quantity to be released expressed in Dth; the basis for the released quantity should be per day for storage injection/withdrawal, and a per-release quantity for storage capacity and total release period quantity (Releasing Customer in establishing terms for capacity release shall not be limited to the service categories set forth in Section 9; Releasing Customer may release quantities up to the Maximum Daily Injection Quantity, Maximum Daily Withdrawal Quantity, and Maximum Storage Quantity set forth in Releasing Customer's Agreement);
 - (3) the duration of release or term including any right to recall;
 - (4) the terms and conditions of any recall rights. Unless another recall notice

deadline is set forth in a prearranged release to an asset manager (as defined in Section 284.8(h) of the Commission's regulations) and such deadline is no earlier than 8 a.m. of the prior weekday, Releasing customers may, to the extent permitted as a condition of the capacity release, recall released capacity in accordance with the following timeline:

(i) Timely Recall Notification

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper not later than 8:00 a.m. on the day that Timely Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that timely Nominations are due (Central Clock Time);

(ii) Early Evening Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

(iii) Evening Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

(iv) Intraday 1 Recall Notification:

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

affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due (Central Clock Time); and

(v) Intraday 2 Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due (Central Clock Time).

(vi) Intraday 3 Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due (Central Clock Time).

For recall notification provided to the Seller prior to the recall notification deadline specified above and received between 7:00 a.m. and 5:00 p.m., the Seller should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.

For recall notification provided to the Seller after 5:00 p.m. and prior to 7:00 a.m., Seller shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (Central Clock Time)

Such notices will state whether penalties will apply for the gas day for which quantities are reduced due to a capacity recall.

A Releasing Customer may only recall such released capacity that Replacement Shipper has not filled. The Releasing Customer shall make such recall by notifying seller in writing of such recall and by submitting a nomination change to Seller, pursuant to Section 4.1 of the General Terms

and Conditions of the FERC Gas tariff. The Releasing Shipper shall provide this capacity recall notification to its affected Replacement Shipper(s) at the same time it provides notification to the Seller. For the recall notification provided to the Seller, the quantity should be expressed in terms of

- a) total released capacity entitlements or
- b) adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity (“EPC”).

In the event of an intra-day capacity recall, the Seller shall determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the EPC. Variations to the use of EPC may be necessary to reflect the nature of the TSP’s tariff, services, and/or operational characteristics.

The amount of capacity allocated to the Replacement Shipper(s) shall equal the original released capacity less the recalled capacity that is adjusted based upon the EPC. Under no circumstances is Seller obligated to deliver in excess of the total daily contract quantity of the release.

- (5) whether the release is on a permanent or temporary basis;
- (6) the length of time the offer to release should be posted for bidding on Seller’s EBB and informational postings website;
- (7) whether there are any reput rights;
- (8) any other conditions or contingencies of the offer to release, including nondiscriminatory provisions necessary to evaluate bids; and the tie breaking criteria, provided, however, that bid evaluations will be limited to highest rate, net revenue and present value;
- (9) the legal name of the Replacement Customer that is designated in any Pre-Arranged Release (“Designated Replacement Customer”) and whether such Replacement Customer is an affiliate of the Releasing Customer;
- (10) any requirements that Replacement Customer take title to any gas in the released storage capacity and/or that Replacement Customer return the capacity to Releasing Customer (at the end of the release or upon exercise of a recall right) with a specified amount of gas in storage, and, if so, the specified amount, and any other conditions related to the commodity portion of the offer; and
- (11) for volumetric releases, any minimum volumetric commitment.

- (b) Seller's creditworthiness standards shall apply to any potential Replacement Customer and Releasing Customer shall not establish its own creditworthiness standards for bidding customer.
- (c) Releasing Customer may withdraw any existing offer to release, if a valid and acceptable bid has not been received. Releasing Customer shall be subject to the provisions of Section 8 of this Rate Schedule prior to the commencement of the Agreement with Replacement Customer. Releasing Customer may withdraw its offer to release any time prior to the close of the bidding period via the EBB or Electronic Delivery Mechanism ("EDM") as approved by the Commission, where unanticipated circumstances justify such withdrawal or when no bid has been received which meets the Releasing Customer's minimum conditions. Releasing Customer shall have the option to accept contingent bids that extend beyond the close of the bidding period. Releasing Customer cannot extend the original bid period or the pre-arranged deal Matching Period without posting a new release. Re-release of Released Capacity shall be allowed on the same terms and basis as the primary release (except for volumetric releases which may not be re-released).
- (d) CAPACITY RELEASE TIMELINE. The "Capacity Release Timeline" set forth below is applicable to all parties of the Capacity Release process; however it is only applicable if: (1) all information provided by parties to the transaction is valid and Replacement Customer has been determined to be creditworthy before the capacity release bid is tendered, (2) for index-based capacity release transactions, the Releasing Customer has provided the Company with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (3) the release contains no special terms or conditions of the release.

For biddable releases (less than 1 year):

- offers should be tendered by 9:00 .M. on a Business Day;
- open season ends no later than 10:00 A.M. on a Business Day (evaluation period begins at 10:00 A.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends and award posting if no match required at 11:00 A.M.;
- match or award is communicated by 11:00 A.M.;
- match response by 11:30 A.M.;
- where match required, award posting by 12:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central

Clock Time)

For biddable releases (1 year or more):

- offers should be tendered by 9:00 A.M. four Business Days before award;
- open season ends no later than 10:00 A.M. on the Business Day before timely nominations are due (open season is three Business Days);
- evaluation period begins at 10:00 A.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- evaluation period ends and award posting if no match required at 11:00 A.M.;
- match or award is communicated by 11:00 A.M.;
- match response by 11:30 A.M.;
- where match required, award posting by 12:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For non-biddable releases:

Timely Cycle

- posting of prearranged deals not subject to bid are due by 12:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time).

Evening Cycle

- posting of prearranged deals not subject to bid are due by 5:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 1 Cycle

- posting of prearranged deals not subject to bid are due by 9:00 A.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 1:30 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central

Clock Time)

Intraday 3 Cycle

- posting of prearranged deals not subject to bid are due by 6:00 P.M.;
- contract issued with one hour of award posting (with a new contract number, when applicable); nomination possible at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

- (e) COMPETITIVE BIDDING PROCEDURE. Bids may be submitted by potential Replacement Customers via the EBB during the posting period. Seller shall post the terms of each complete bid, but will not post the identity of the bidder. Posted bids will be accessible via EDM. Seller will also require all information set forth in Section 2 of the General Terms and Conditions of this FERC Gas tariff. Upon expiration of the offer, Seller shall remove such offer of release from its EBB and informational postings website.

Potential Replacement Customers may withdraw their posted bids at any time during the bidding period via the EBB or EDM. Bids posted by potential Replacement Customers are binding until written or electronic notice of withdrawal is received by Seller. Potential Replacement Customers cannot withdraw bids after the bidding period ends. Such potential Replacement Customers may not post another bid for the same capacity lower than their previous bid.

- (f) Matching Rights. A Pre-Arranged Replacement Customer shall have the right of first refusal for a time period as negotiated by the Releasing Customer and the Pre-Arranged Replacement Customer ("Matching Period). If no Matching Period has been negotiated, the Matching Period will be deemed to be one (1) hour following the time the Pre-Arranged Replacement Customer has been notified of the winning bid. In the event a bid is received that more closely meets the criteria specified by the Releasing Customer, Seller shall provide the Pre-Arranged Replacement Customer an opportunity during the Matching Period to match or exceed the bid that more closely meets the criteria specified by the Releasing Customer. No later than 2:00 p.m. Central Clock Time, the Pre-Arranged Replacement Customer shall receive notification on the EBB of the terms and conditions of the prevailing bid and shall have the Matching Period to respond via the EBB. No later than 3:00 p.m. Central Clock Time, the Replacement Customer shall post on the EBB its match response. Absent a response, the capacity shall be awarded to the prevailing bidder no later than 4:00 p.m. Central Clock Time.
- (g) Released Capacity will be awarded to the Replacement Customer which otherwise satisfies the requirements of this FERC Gas Tariff and also meets all of the conditions of the offer to release capacity. In the case of multiple bid winners, the highest ranking bid will receive the entire maximum amount of capacity bid. The next highest ranking bidder will receive the remainder of the offered capacity

provided that the amount remaining is above the bidder's minimum acceptable quantity. Any remaining capacity will be awarded to the next highest bidder under the same provisions as above. This process will repeat until either all of the offered capacity is awarded or the remaining capacity falls below either the Releasing Customer's minimum quantity or all of the remaining bidder's acceptable quantities. Seller shall not be required to contract with parties submitting bids that do not meet the conditions of the offer to release capacity, however, subject to approval of Releasing Customer, Seller may accept bids offering a price or term less than that set forth in the release. Bids will be evaluated by the criteria provided by the Releasing Customer. If no criteria are provided by the Releasing Customer, bids will be accepted in the order of priority based upon the highest economic value offered by the competing bids as defined in Section 10 of the General Terms and Conditions of this FERC Gas Tariff. The ultimate awarding of the capacity will be posted subsequently on Seller's EBB and informational postings website by 3:00 p.m. Central Clock Time, unless bidder was a contingent bidder and the contingency did not occur. Seller will tender a numbered Agreement to the winning bidder within one hour of posting an award and the winning bidder shall enter into an Agreement with Seller pursuant to Section 7.2. Seller is required to meet the Capacity Release Timeline for processing capacity releases only if the Releasing Customer's best bid methodology is either: (1) highest rate, (2) highest net revenue, or (3) greatest net present value. For index-based capacity release transactions, the Releasing Customer should provide the necessary information and instructions to support the chosen methodology. In all cases, Replacement Customers will be subject to all requirements of this Tariff. Storage Service to the Replacement Customer may commence, prior to the posting of the winning bid, if capacity has been awarded and a contract executed.

(h) Recall Reput Rights

- (i) A Releasing Customer cannot in any way modify recall rights as specified by a previous Releasing Customer, but may specify its own recall rights, subject to any recall rights specified by a previous Releasing Customer. A potential Replacement Customer is responsible for obtaining from the Releasing Customer with whom it is negotiating for released capacity any information concerning recall rights specified by a previous Releasing Customer. A Releasing Customer specifying recall conditions shall be the only party that can exercise and administer such recall rights. In the event of any conflict, the instructions and communications of the Releasing Customer specifying the recall conditions shall govern. The party recalling the capacity shall be subject to Seller's nomination procedures in accordance with Section 4 of the General Terms and Conditions of this FERC Gas Tariff. If the release specifies that the Releasing Customer has reput rights and the recall ends prior to the end of the release term at the end of the recall period, capacity shall revert back to the Replacement Customer, if applicable, subject to Seller's nomination procedures. When

capacity is recalled it may not be reup for the same day. The deadline for notifying the Seller of a reup is 8:00 a.m. to allow for timely nominations to flow on the next gas day.

- (ii) Seller shall have no liability to any party in relying on the recall instructions and conditions specified by the Releasing Customer, except to the extent that such party establishes that Seller has incorrectly applied such instructions as a result of the negligent action or willful misconduct of Seller.
- (iii) Partial Day Release Quantity
The daily contractual entitlement that can be released by a Releasing Customer for a partial day release is limited to the lesser of:
 - (i) the quantity contained in the Customer Notice submitted by the Releasing Customer, or
 - (ii) a quantity equal to the difference between the MDWQ or MDIQ, as applicable, for the contract to be released by the Releasing Customer and the amount scheduled for that period of the day prior to the release of the capacity, based upon the elapsed-prorated-scheduled quantity.

This allocated daily contractual entitlement shall be used for purposes of nominations, billing, and if applicable for overrun calculations.

7.2 NON-BIDDABLE CAPACITY RELEASES.

- (a) Releasing Customer shall have the right to release capacity without posting for bidding pursuant to Section 7.1 hereof if (i) prompt notice of the release is provided to Seller for posting on the EBB and informational postings website prior to the first nomination containing the information set forth in Section 7.1(a) applicable to such release and (ii) such release is for any period of 31 days or less, is a release of capacity for more than one year at the maximum rate the Releasing Customer is obligated to pay, or is a release to an “asset manager” or to a “marketer participating in a state-regulated retail access program” as defined in the Commission’s regulations as set forth in Section 284.8(h);
- (b) The notice provided to Seller for posting on its EBB and informational postings website must identify such asset manager or marketer. If the release is to an asset manager, the notice to Seller also must include the volumetric level of the asset manager’s delivery or purchase obligation, and the time period during which that obligation is in effect. In addition, such notice shall specify any deadlines applicable to capacity recalls by the Releasing Customer.

7.3 EXECUTION OF SERVICE AGREEMENT. Service Agreements for Biddable and non-biddable prearranged capacity releases will be tendered within one hour

after Seller awards capacity or Seller is notified of the deal.

- 7.4 BILLING ADJUSTMENT. Releasing Customer shall remain fully obligated under the terms of its Service Agreement with Seller during any capacity release except for usage charges incurred by any Replacement Customer that has purchased capacity released by the Releasing Customer. Seller shall credit the invoice of Releasing Customer each Month for the charges and volumetric rates invoiced, by Seller to Replacement Customer provided, however, that such credit:
- (a) shall not include any charges billed to the Replacement Customer under Section 5 of this Rate Schedule or Rate Schedule ISS, and
 - (b) shall be reduced by the amount of any marketing fee Seller is entitled to collect pursuant to Section 7.5 of this Rate Schedule.

If a Replacement Customer fails to pay all or any part of its charges under the Deliverability Reservation Rate and Capacity Reservation Rate which have been credited to Releasing Customer within fifteen (15) days of the due date, such unpaid amount, with applicable interest accruing from the date Replacement Customer's payment was due, will be charged to the Releasing Customer's next monthly bill and will be due and payable by Releasing Customer, unless Replacement Customer in good faith shall dispute the billed charges in accordance with the provisions set forth in Section 8.2 of the General Terms and Conditions of this FERC Gas Tariff. If such failure to pay continues for thirty (30) days after payment is due, and the Replacement Customer has not disputed billings in accordance with Section 8.2 of the General Terms and Conditions of this FERC Gas Tariff, then Seller may, in addition to any other remedies it may have hereunder, terminate its Agreement with the Replacement Customer, and the Replacement Customer shall be deemed to have consented to abandonment of service under the Agreement. If the Agreement with the Replacement Customer is so terminated and service abandoned, the capacity will revert to the Releasing Customer, and will be governed by the terms and conditions of its existing Agreement with Seller. If Releasing Customer pays delinquent amounts owed by Replacement Customer and Seller subsequently receives payment from Replacement Customer of some or all of such amounts, Seller will credit the amounts received from the Replacement Customer in Seller's next monthly bill to the Releasing Customer.

- 7.5 MARKETING FEE. Seller may negotiate with Releasing Customer to market all or a portion of the released capacity to potential Replacement Customers who, as a result of such marketing activity, bid for such capacity during the competitive bidding procedure. If Seller, contracts with a Replacement Customer found by Seller, Seller, with the agreement of Releasing Customer, shall be entitled to a marketing fee which will be negotiated between Seller and Releasing Customer. The basis and method of assessing such fee shall be subject to negotiations between Seller and Releasing Customer. Each Replacement Customer found by Seller, pursuant to Seller's agreement with Releasing Customer concerning a marketing fee, shall submit with its bid a statement attesting to Seller's marketing

efforts, which efforts shall consist of more than the simple posting of a notice on Seller's EBB and informational postings website, in connection with such Replacement Customer's decision to purchase released capacity. Such statement shall constitute conclusive evidence of Seller's proactive marketing effort entitling Seller to a marketing fee.

- 7.6 TERM. Any release under this Section 7 for service under Rate Schedule FSS shall be for a maximum term not longer than the remaining term of the underlying FSS Service Agreement. If capacity is released and the Replacement Customer takes service under Rate Schedule FSS, the minimum term shall be one month.
- 7.7 RELEASING CUSTOMER'S INJECTION/WITHDRAWAL CHARGES. Releasing Customers' pricing provisions of any offer to release pursuant to Section 7.1 hereof must include Releasing customers' currently effective Injection Rate, Withdrawal Rate, Overrun Injection Rate and Overrun Withdrawal Rate and Fuel Use/Loss Charge.
- 7.8 VOLUMETRIC RELEASE. Customer may release capacity on a volumetric basis, provided that:
- (a) all requirements and conditions of the release be specified by the Releasing Customer in the release notice, including any minimum storage volume requirement, and
 - (b) the requirements and conditions specified by Releasing Customer must meet all of the requirements and conditions of Seller's Volume No. 1A FERC Gas Tariff and,
 - (c) Seller will bill the Volumetric Rate for Release for volumes actually injected into storage by Seller for the account of Replacement Customer or the minimum storage volume requirement if actual injected volumes are less than the required minimum storage requirement and,
 - (d) Replacement Customer shall remain fully responsible for all Usage Charges incurred.
- 7.9 PRE-PAYMENT. Prior to the commencement of service pursuant to any release request, the Replacement Customer shall submit to Seller, in accordance with Section 2.1 of the General Terms and Conditions of this FERC Gas Tariff, a check in an amount equal to the lesser of \$10,000 or the aggregate reservation charges which would be due for two months of released service.
- 7.10 ROLLOVER RESTRICTION. Releases of a period of 31 Days or less may not roll-over, extend, or continue in any way to the same Replacement Customer using the 31 days or less bidding exemption until twenty eight (28) Days after the first release period has ended. The 28-day hiatus does not apply to any re-release to the same Replacement Customer that is posted for bidding under Section 7.1

hereof or that qualifies for any of the other exemptions from bidding under Section 7.2 hereof.

7.11 REQUESTS TO PURCHASE CAPACITY. Any party desiring to acquire firm capacity pursuant to the capacity release procedures of this Section 7 must submit the following information to Seller via e-mail.

- (a) the Replacement Customer's name and contact information;
- (b) the Maximum Daily Storage Quantity desired;
- (c) the Maximum Daily Injection Quantity desired;
- (d) the Maximum Daily Withdrawal Quantity desired;
- (e) the desired commencement date and term of service;
- (f) the maximum rate(s) that Replacement Customer will pay for the service;
- (g) whether Replacement Customer will accept a release with recall rights, and if so, what recall rights would be acceptable; and
- (h) whether Replacement Customer's request is contingent, and if so, the basis for the contingency.

Seller shall post information concerning offers to purchase released capacity on the EBB and informational postings website for a period of ninety days or until a transaction is effected, whichever is shorter.

8. GAS IN STORAGE AFTER TERMINATION OF AGREEMENT. If a Customer which has not renewed its FSS Agreement for the next Storage Contract Year fails to withdraw all of its Working Storage Gas by the end of the Storage Contract Year in which such FSS Agreement terminates, then, at Seller's option, and upon forty-eight (48) hours notice, Customer will be deemed to have agreed to the Storage of such remaining Working Storage Gas under Rate Schedule ISS and shall pay a Late Withdrawal Charge of one dollar per Dth per day, or at Seller's option, Seller may retain any remaining quantities of Working Storage Gas free and clear of any adverse claims; provided however, that Seller will notify Customer in writing prior to November 1 of the Contract Year in which the term of its FSS Agreement will expire of the quantity of Storage Volumes being held by Seller for Customer's account and the above options available to Seller in the event Customer fails to withdraw all of its Working Storage Gas by the end of said Storage Year. Seller may, at its sole option on a non-discriminatory basis, grant Buyer an extended time in which to withdraw or transfer such remaining Working Storage Gas. In the event Seller is unable to withdraw Customer's properly nominated volumes, up to the Customer's Maximum Daily Withdrawal Quantity, on any Day during

the last Storage Year prior to the expiration of the Agreement, then the term of the Agreement shall be extended by the number of days Seller is unable to Tender quantities of Gas for redelivery.

In the event that a Customer does not renew its FSS agreement and fails to withdraw all of its Working Storage Gas as provided above then the Customer will incur a Late Withdrawal Charge or forfeit remaining quantities of Working Storage Gas. In that event, Seller will credit the Late Withdrawal Charge or the value of the gas retained by Seller to its existing customers in the manner set forth in Section 8.4 of the general terms and conditions of the tariff.

9. DEFINITIONS

- 9.1 The term Elapsed Prorata Capacity ("EPC") shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.
- 9.2 The term "Maximum Daily Injection Quantity" shall mean: the quantity set forth in the Customer's FSS Service Agreement.
- 9.3 The term "Maximum Daily Withdrawal Quantity" shall mean the quantity set forth in the Customer's FSS Service Agreement:
- 9.4 The term "Permanent Capacity Release" shall mean the release of capacity by the Customer for the remaining term of its Agreement with Seller. If (i) the terms and conditions of the new Service Agreement with the Replacement Customer are at least as favorable to Seller as the Agreement between Seller and the Releasing Customer, and (ii) the Replacement Customer is at least as creditworthy as the Releasing Customer. Releasing Customer shall not be liable for any charges incurred by the Replacement Customer after the Permanent Capacity Release. Replacement Customer shall be subject to all terms of this FERC Gas Tariff.
- 9.5 The term "Storage Contract Year" shall mean the period from April 1 of a calendar year through March 31 of the following calendar year.

RATE SCHEDULE PNFSS
INTERRUPTIBLE STORAGE SERVICE

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of natural gas storage service from Honeoye Storage Corporation (hereinafter referred to as "Seller"), when Seller has determined on a non-discriminatory basis, that capacity is available to provide service under the Rate Schedule and when Customer and Seller have executed a Service Agreement under this Rate Schedule. Capacity committed to higher priority services will not be deemed available to provide service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Priority Non-Firm Storage Service that is rendered by Seller for Customer pursuant to an executed Agreement under this Rate Schedule

(a) Storage Service rendered by Seller under this Rate Schedule shall consist of:

- (i) The receipt of Gas on behalf of Customer at the Point of Injection/Withdrawal up to the Maximum Storage Quantity or Customer's Storage Overrun Quantity plus Seller's injection Fuel Use at daily quantities up to the Maximum Daily Injection Quantity plus Seller's Injection Use;
- (ii) The Storage of Gas in quantities not to exceed the Maximum Storage Quantity or Customer's Storage Overrun Quantity; and
- (iii) The Tender of Gas to or for the account of Customer at the Point of Injection/Withdrawal at a quantity not to exceed Customer's Working Storage Gas or Storage Overrun Quantity reduced by Seller's withdrawal Fuel Use at daily quantities up to the Maximum Daily Withdrawal Quantity reduced by Seller's Withdrawal Use.

(b) Storage Service rendered under this Rate Schedule shall be priority non-firm as described below, and shall be available only when capacity is not being used for injection, storage and withdrawal of higher priority services. Such priority non-firm service shall be offered in accordance with the provisions established in the General Terms and Conditions of this Tariff. Seller may, if storage capacity is required by Customers having a higher priority, require Customer to withdraw quantities held in storage by Seller for or on behalf of Customer under Rate Schedule

PNFSS within thirty (30) days of the date notice is provided to Customer by Seller. Customer indemnifies and holds Seller harmless from and against any and all losses, damages or expenses of any kind that Customer may suffer or be liable for a result of any reduction or interruption in service pursuant to this Rate Schedule.

- (c) From time-to-time, Seller may determine that it is able to make available to Customer a quantity of storage capacity that will have a higher priority than fully interruptible service but a lower priority than Storage Service provided under any of Seller's Firm rate schedules. Such quantities shall be referred to as Priority Non-Firm Storage Service and shall be available under this Rate Schedule. Customer shall have access to its full Maximum Storage Quantity during the term of its PNFSS Service Agreement. A payment of Priority Non-Firm Storage Quantity Rate creates no priority rights to inject gas into or withdraw gas from Seller's facilities under this PNFSS Rate Schedule.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Volume No. 1A FERC Gas Tariff are applicable to this Rate Schedule and are specifically incorporated herein by reference.

4. RATES AND CHARGES

The amounts that shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the amounts due under the subsections of this Section 4 and charges under Section 5 that are applicable to Customer for such Month, computed by use of the applicable rates set forth in the Customer's Agreement which are effective during such Month or portions thereof. Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent.

- 4.1 Priority Non-firm Storage Service (PNFSS) Quantity Rate: A monthly Inventory Rate shall be paid for each Dekatherm of Maximum Storage Quantity which is made available to Customer during the Month. If at any time during the Month, Seller curtails Customer's access to any portion of the Maximum Storage Quantity, then Seller shall refund the portion of the monthly Priority Non-Firm Storage Quantity Rate associated with the quantity that was curtailed.
- 4.2 Priority Non-Firm Storage Service Injection Rate: An injection rate shall be paid for each Dekatherm that is injected for or on behalf of Customer during the month.
- 4.3 Priority Non-Firm Storage Service Withdrawal Rate: A withdrawal rate shall be paid for each Dekatherm which is withdrawn for or on behalf of

Customer during the month.

- 4.4 Seller's Fuel Use Charge: Seller will bill Customer each month for gas lost or unaccounted for in Seller's operations at the rate of (i) one percent (1.0%) of the gas injected on Customer's behalf in the preceding month and (ii) one percent (1.0%) of the gas withdrawn on Customer's behalf in the preceding month.
- 4.5 Regulatory Fees and Charges. Customer shall reimburse Seller for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this rate schedule, including, but not limited to, the Commission's Annual Charge Adjustment (ACA).
- 4.6 Overrun Service Charge: An Overrun Service Charge shall be paid for each Dekatherm of service provided on behalf of Customer pursuant to Section 6 of this Rate Schedule. As set forth in the Customer's Agreement, the Overrun Service Charge shall consist of the Overrun Injection Rate for each Dekatherm of Gas the Customer delivers or causes to be delivered at the Point of Injection/Withdrawal in excess of the Customer's Maximum Daily Injection Quantity, the Overrun Withdrawal Rate for each Dekatherm of Gas which is delivered to or for the account of the Customer in excess of the Customer's Maximum Daily Withdrawal Quantity, and the Overrun Storage Commodity Rate for each Dekatherm of the Daily Storage Volume which is stored on behalf of Customer during the Month greater than the Customer's Maximum Storage Quantity.

5. ADDITIONAL CHARGES

Other Charges: Customer shall pay any other charges applicable to service hereunder authorized by the Commission or any successor agency having jurisdiction.

6. STORAGE OVERRUN SERVICE

Customer may request Seller to provide storage service under this Rate Schedule for quantities of gas in excess of Customer's Maximum Daily Injection Charge, Maximum Daily Withdrawal Charge, and/or Maximum Storage Quantity. Seller may provide such Overrun Service on an interruptible basis if, in Seller's judgment, it can provide the service without adverse effect on Seller's operations or on Seller's ability to meet higher priority obligations. Customer shall pay the Overrun Storage Service Charge pursuant to Section 4.6 of this Rate Schedule PNFSS for such overrun storage service.

7. LATE WITHDRAWAL RATE

If Customer fails to withdraw all Working Storage Gas quantities held in storage by Seller for or on behalf of Customer by the end of the applicable withdrawal

period set forth in Section 2 above, or by the date the PNFSS Service Agreement terminates, then Customer shall pay a Late Withdrawal Charge of \$1/Dekatherm/day for all Customer's gas remaining in inventory or, at Seller's sole option, Seller may retain such remaining quantities of Working Storage Gas free and clear of any adverse claims, unless such failure to withdraw was due to Seller's inability to withdraw the quantities nominated by Customer, in which event such applicable withdrawal period shall be extended by the number of days Seller is unable to Tender quantities of Gas for redelivery.

In the event that a Customer does not renew its PNFSS Service Agreement and fails to withdraw all of its Working Storage Gas as provided above then the Customer will incur a Late Withdrawal Charge or forfeit remaining quantities of Working Storage Gas. In that event Seller will credit the Late Withdrawal Charge or the value of the gas retained by Seller to its existing customers in the manner set forth in Section 8.4 of the General Terms and Conditions of the tariff.

8. The PNFSS Service Agreement shall have a mutually agreeable term which shall not be less than one day.

9. DEFINITIONS

- 9.1 The term "Maximum Daily Injection Quantity" shall be mutually agreed upon and set forth in Customer's PNFSS Service Agreement.
- 9.2 The term "Maximum Daily Withdrawal Quantity" shall be mutually agreed upon and set forth in Customer's PNFSS Service Agreement.
- 9.3 The term "Storage Overrun Quantity" shall be mutually agreed upon and set forth in Customer's PNFSS Service Agreement.

RATE SCHEDULE ISS
INTERRUPTIBLE STORAGE SERVICE

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of natural gas storage service from Honeoye Storage Corporation (hereinafter referred to as "Seller"), when Seller has determined on a non-discriminatory basis, that capacity is available to provide service under the Rate Schedule and when Customer and Seller have executed a Service Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible Storage Service that is rendered by Seller for Customer pursuant to an executed Agreement under this Rate Schedule.

- (a) Storage Service rendered by Seller under this Rate Schedule shall consist of:
 - (i) The receipt of Gas on behalf of Customer at the Point of Injection/Withdrawal up to the Maximum Storage Quantity or Customer's Storage Overrun Quantity plus Seller's injection Fuel Use at daily quantities up to the Maximum Daily Injection Quantity plus Seller's Injection Use;
 - (ii) The Storage of Gas in quantities not to exceed the Maximum Storage Quantity or Customer's Storage Overrun Quantity ; and
 - (iii) The Tender of Gas to or for the account of Customer at the Point of Injection/Withdrawal at a quantity not to exceed Customer's Working Storage Gas or Storage Overrun Quantity reduced by Seller's withdrawal Fuel Use at daily quantities up to the Maximum Daily Withdrawal Quantity reduced by Seller's Withdrawal Use.
- (b) Storage Service rendered under this Rate Schedule shall be interruptible, and shall be available only when capacity is not being used for injection, storage and withdrawal of higher priority services. Such interruptible service shall be offered in accordance with the provisions established in the General Terms and Conditions of this Tariff. Seller may, if storage capacity is required by Customers having a higher priority, require Customer to withdraw quantities held in storage by Seller for or on behalf of Customer under Rate Schedule ISS within three (3) days of the date notice is provided to Customer by Seller. Customer indemnifies and holds Seller harmless from and against any and all losses, damages or expenses of any kind which Customer may suffer or be liable for a result of any reduction or interruption in service pursuant to this Rate Schedule.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Volume No. 1A FERC Gas Tariff are applicable to this Rate Schedule and are specifically incorporated herein by reference.

4. RATES AND CHARGES

The amounts which shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the amounts due under the subsections of this Section 4 and charges under Section 5 that are applicable to Customer for such Month, computed by use of the applicable rates set forth in the Customer's Agreement which are effective during such Month or portions thereof. Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent.

- 4.1 Interruptible Storage Service (ISS) Injection Rate: An injection rate shall be paid for each Dekatherm, which is injected for or on behalf of Customer during the month.
- 4.2 Interruptible Storage Service (ISS) Withdrawal Rate: A withdrawal rate shall be paid for each Dekatherm which is withdrawn for or on behalf of Customer during the month.
- 4.3 Interruptible Storage Service (ISS) Inventory Rate: An Inventory Rate shall be paid for each Dekatherm of the Average Monthly Storage Volume which is stored for or on behalf of Customer during the Month.
- 4.4 Seller's Fuel Use Charge: Seller will bill Customer each month for gas lost or unaccounted for in Seller's operations at the rate of (i) one percent (1%) of the gas injected on Customer's behalf in the preceding month and (ii) one percent (1.0%) of the gas withdrawn on Customer's behalf in the preceding month.
- 4.5 Regulatory Fees and Charges. Customer shall reimburse Seller for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this rate schedule, including, but not limited to, the Commission's Annual Charge Adjustment (ACA).
- 4.6 Overrun Storage Commodity Rate: An Overrun Storage Commodity Rate shall be paid for each Dekatherm of service provided on behalf of Customer pursuant to Section 6 of this Rate Schedule. As set forth in the Customer's Agreement, the Overrun Storage Commodity Rate shall consist of the Storage Commodity Rate for each Dekatherm of the Daily Storage Volume which is stored for or on behalf of Customer during the Month greater than the Customer's Maximum Storage Quantity.

5. ADDITIONAL CHARGES

5.1 Commission and other Regulatory Fees: Customer shall reimburse Seller for all fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule including, but not limited to, filing, reporting and application fees.

5.2 Other Charges: Customer shall pay any other charges applicable to service hereunder authorized by the Commission or any successor agency having jurisdiction.

6. STORAGE OVERRUN SERVICE

Customer may request Seller to provide storage service under this Rate Schedule for quantities of gas in excess of Customer's Maximum Storage Quantity. Seller may provide such Overrun Service on an interruptible basis if, in Seller's judgment, it can provide the service without adverse effect on Seller's operations or on Seller's ability to meet higher priority obligations. Customer shall pay the Overrun Storage Commodity Rate pursuant to Section 4.6 of this Rate Schedule ISS for such overrun storage service.

7. LATE WITHDRAWAL RATE

If Customer fails to withdraw all Working Storage Gas quantities held in storage by Seller for or on behalf of Customer by the end of the applicable withdrawal period set forth in Section 2 above, or by the date the ISS Agreement terminates, then Customer shall pay a Late Withdrawal Charge of \$1/Dekatherm/day for all Customer's gas remaining in inventory or, at Seller's sole option, Seller may retain such remaining quantities of Working Storage Gas free and clear of any adverse claims, unless such failure to withdraw was due to Seller's inability to withdraw the quantities nominated by Customer, in which event such applicable withdrawal period shall be extended by the number of days Seller is unable to Tender quantities of Gas for redelivery.

In the event that a Customer does not renew its ISS Service Agreement and fails to withdraw all of its Working Storage Gas as provided above then the Customer will incur a Late Withdrawal Charge or forfeit remaining quantities of Working Storage Gas. In that event Seller will credit the Late Withdrawal Charge or the value of the gas retained by Seller to its existing customers in the manner set forth in Section 8.4 of the General Terms and Conditions of the tariff.

8. The Interruptible agreement shall have a mutually agreeable term which shall not be less than one day.

9. DEFINITIONS

9.1 The term "Maximum Daily Injection Quantity" shall be mutually agreed upon and set forth in Customer's ISS Service Agreement.

9.2 The term "Maximum Daily Withdrawal Quantity" shall be mutually agreed upon

and set forth in Customer's ISS Service Agreement.

- 9.3 The term "Storage Overrun Quantity" shall be mutually agreed upon and set forth in Customer's ISS Service Agreement.

RATE SCHEDULE PAL
INTERRUPTIBLE PARKING AND LENDING SERVICE

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of parking and lending service from Honeoye Storage Corporation (hereinafter referred to as "Seller"), when Seller has determined, on a non-discriminatory basis, that it has the existing capacity and operational flexibility to provide service under this Rate Schedule and Customer and Seller have executed a PAL Service Agreement .

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to interruptible parking and/or lending service that is rendered by Seller for Customer pursuant to an executed Service Agreement under this Rate Schedule.

- (a) Interruptible parking service rendered by Seller to Customer under this Rate Schedule shall consist of:
 - (i) The receipt at the Point of Injection/Withdrawal of Customer's Gas per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ"), provided that all higher priority service nominations for injection have been satisfied, and that Customer's Park Balance is less than the Maximum Park Quantity set forth in Exhibit A of the Customer's PAL Service Agreement;
 - (ii) The parking of Gas in amounts up to Customer's Maximum Park Quantity provided that all higher priority service storage needs have been satisfied;
 - (iii) The daily withdrawal and redelivery of Customer's Gas per Customer's nomination to the Point of Injection/Withdrawal, up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ"), provided that all higher priority service nominations or withdrawal have been satisfied, and that Customer has sufficient Gas stored in Customer's Park Balance; and
 - (iv) The withdrawal by Customer of sufficient quantities of Gas under Section 2(a)(iii) above to ensure that Customer's Park Balance equals zero (0) at the end of PAL Term.
- (b) Interruptible loan service rendered by Seller to Customer under this Rate Schedule shall consist of:
 - (i) The advancement to Customer at the Point of Injection/Withdrawal of daily quantities of Gas up to Customer's Maximum Daily Withdrawal

Quantity ("MDWQ"), provided that all higher priority service nominations for withdrawal have been satisfied, that Customer agrees to replace the borrowed Gas at a time to be agreed upon as specified in Exhibit A to the PAL Service Agreement ("Loan Time") and that Customer's Loan Balance is less than the Maximum Loan Quantity as set forth in Exhibit A to Customer's PAL Service Agreement;

- (ii) The redelivery to Seller on any Day during the Loan Time at the Point of Injection/Withdrawal and injection into storage of a portion of Customer's Loan Balance per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ"), provided that all higher priority service nominations for injection have been satisfied and Customer's total redeliveries do not exceed Customer's Maximum Loan Quantity; and
 - (iii) The Tender by Customer of sufficient quantities of Gas under Section 2(b)(ii) above to ensure that Customer's Loan Balance equals zero (0) at the end of PAL Term specified in Customer's PAL Services Agreement.
- (c) Seller may, if storage capacity is required by Customers having a higher priority, require Customer to withdraw quantities held in storage by Seller for or on behalf of Customer under Rate Schedule PAL within ten (10) calendar days of the date notice is provided to Customer by Seller. If Customer fails to withdraw the balance of Gas parked within such time (or if Customer's Park Balance is greater than zero at the end of the PAL term), Seller may in its sole judgment, either take, free and clear of any adverse claims, title to such Park Balance, or, in the alternative, assess, and Customer shall pay, a Late Withdrawal Rate of \$1 per Dekatherm per Day for all of Customer's Gas remaining in inventory, provided however, that if Customer's failure to withdraw is due to Seller's inability to withdraw the quantities nominated by Customer, then the withdrawal period will be extended by the number of days Seller was unable to withdraw quantities of gas nominated by Customer.
- (d) To the extent Gas that Seller's advances to Customer hereunder are needed to satisfy Seller's obligations to higher priority services or to meet system needs, Seller may at its sole discretion and upon giving notice to Customer, interrupt the continuation of any or all services hereunder and require Customer to replace or replenish all, or any portion, of the Customer's Loan Balance at a date specified by Seller which shall not be less than three (3) calendar days from the date of Seller's notification unless Seller and Customer mutually agree to a different time frame. Customer shall indemnify and hold Seller harmless from and against any and all losses, damages or expenses of any kind that Customer may suffer or be liable for as a result of any reduction or interruption in service pursuant to this Rate Schedule.
- (e) If Customer fails to replace or replenish Gas advanced by Seller upon such notice to Customer (or if Customer's Loan Balance is greater than zero at the end of the

PAL term), Seller may purchase replacement Gas and Customer shall pay one hundred and fifty percent (150%) of the actual cost of such replacement supplies and any other costs or penalties incurred by Seller or its other customers as a result of Customer's failure, including but not limited to third-party marketer fees and pipeline transportation costs.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Volume No. 1A FERC Gas Tariff are applicable to this Rate Schedule and are specifically incorporated herein by reference.

4. RATES AND CHARGES

The amounts that shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the amounts due under the subsections of this Section 4 and charges under Section 5 that are applicable to Customer for such Month, computed by use of the applicable rates set forth in the Customer's Agreement which are effective during such Month or portions thereof. Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent.

- 4.1 Interruptible PAL Charge. A charge per Day for each Dth of Customer's Gas parked and/or loaned by Seller as specified in Exhibit A of Customer's executed PAL Service Agreement.
- 4.2 Interruptible PAL Injection Charge. A charge for each Dth of Customer's Gas Tendered for injection pursuant to Section 2 of this Rate Schedule during a given invoice period.
- 4.3 Interruptible PAL Withdrawal Charge. A charge for each Dth of Customer's Gas withdrawn pursuant to Section 2 of this Rate Schedule during a given invoice period.
- 4.4 Interruptible PAL Overrun Rate. A charge per day for each Dth of Customer's Gas parked and/or loaned by Seller as PAL Overrun Service in accordance with Customer's executed PAL Service Agreement.

5. ADDITIONAL CHARGES

- 5.1 Commission and other Regulatory Fees: Customer shall reimburse Seller for all fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule, including, but not limited to, filing, reporting and application fees, and the Commission's Annual Charge Adjustment (ACA).
- 5.2 Other Charges: Customer shall pay any other charges applicable to service hereunder authorized by the Commission or any successor agency having

jurisdiction.

6. TERM

The PAL Service Agreement shall have a mutually agreeable term that shall not be less than one day.

7. PAL OVERRUN SERVICE

Customer may request Seller to provide service under this Rate Schedule for quantities in excess of Customer's Maximum Loan Quantity or Maximum Park Quantity. Seller may provide such PAL Overrun Service on an interruptible basis if, in Seller's sole judgment, it can provide the services without adverse impact on Seller's ability to meet higher priority obligations. PAL Overrun Service shall be scheduled and confirmed only after all other services offered by Seller are scheduled and confirmed. Customer shall pay the PAL Overrun Rate pursuant to Section 4.4 of this Rate Schedule PAL for such overrun PAL service.

8. DEFINITIONS

8.1 "Customer's Gas" shall mean Customer's Park Balance and/or Customer's Loan Balance, as applicable, at any given time.

8.2 "Loan Balance" shall mean the quantity of gas, expressed in Dth, that Seller has loaned to Customer, provided that the Loan Balance shall never exceed Customer's MLQ specified in Exhibit A of Customer's PAL Services Agreement.

8.3 "Park Balance" shall mean the quantity of gas, expressed in Dth, that Seller has Parked with Customer, provided that the Park Balance shall never exceed Customer's MPQ specified in Exhibit A of Customer's PAL Services Agreement.

8.4 "PAL Term" means the period between the "begin date" and the "end date" specified in Exhibit A to Customer's executed PAL Service Agreement

8.5 "Maximum Daily Withdrawal Quantity" or "MDWQ" shall mean the maximum quantity of gas, expressed in Dths, specified in Customer's Service Agreement or Exhibit A of the PAL Service Agreement, as applicable, that Customer may nominate and withdraw and that Seller shall deliver at the Point of Injection/Withdrawal at constant hourly rates of flow over the course of such Day, provided that Seller may, in its sole and reasonable judgment, determine that the maximum quantity may be delivered at rates of flow which deviate from constant hourly rates over the course of such Day.

8.6 "Maximum Daily Injection Quantity" or "MDIQ" shall mean the maximum quantity of gas, expressed in Dths, specified in Customer's Service Agreement or

Exhibit A of the PAL Service Agreement, as applicable, that Customer may nominate and inject and that Seller shall receive at the Point of Injection/Withdrawal at constant hourly rates of flow over the course of such Day, provided that Seller may, in its sole and reasonable judgment, determine that the maximum quantity may be received at rates of flow which deviated from the constant hourly rates over the course of such Day.

- 8.7 “Maximum Loan Quantity” or “MLQ” shall mean the maximum quantity of gas, expressed in Dth, that Seller will loan to Customer , as specified in Exhibit A of Customer’s PAL Services Agreement.
- 8.8 “Maximum Park Quantity” (“MPQ”) shall mean the maximum quantity of gas, expressed in Dth, that Customer is permitted to have in storage in Seller's facilities, at any given time as specified in Exhibit A of Customer’s PAL Services Agreement.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1 The term “Agreement” shall mean the Service Agreement executed by the Customer and Seller and any exhibits, attachments and/or amendments thereto.
- 1.2 The term “Average Monthly Storage Volume” shall mean the sum of Customer's Working Storage Gas at the end of each Day of the Month divided by number of Days in the Month.
- 1.3 The term “BTU” shall mean one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water one degree (1) Fahrenheit at sixty degrees (60) Fahrenheit. (BTU is measured on a dry basis at 14.73 psia.)
- 1.4 The term “Business Day” shall mean every Monday, Tuesday, Wednesday, Thursday or Friday, excluding all federal banking holidays for transactions in the United States.
- 1.5 The term “Clock Time” shall mean Central Standard Time except for that period when daylight savings is in effect. During this period, Clock Time shall mean Central Daylight Time.
- 1.6 The term “Commission” and “FERC” shall mean the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction.
- 1.7 The term “Contract Term” shall mean the period beginning on the date storage service under a storage agreement commences and ending on the day the term of the agreement terminates.
- 1.8 The term “Customer” shall mean any person, corporation, partnership or any other party that executes a valid Service Agreement with Honeoye Storage Corporation for the Storage of Gas, or other services under the terms and conditions of Seller's FERC Gas Tariff Original Volume No. 1A.
- 1.9 The term “Day” shall mean a period of consecutive hours, beginning at 9:00 a.m. Clock Time and ending on the following 9:00 a.m. Clock Time as adjusted, when appropriate, for changes from Standard to Daylight Savings Time and vice versa.
- 1.10 The term “Dekatherm” (Dth) shall mean the quantity of heat energy which is equivalent to one (1) million (1,000,000) BTU; thus the term MDth shall mean one (1) thousand Dth.
- 1.11 The determination of quantities deemed to be delivered for purposes of use of the term “Each Dekatherm Of Gas Which Is Delivered” shall be the pro rata

allocation of the quantities of Gas nominated, after adjustments for Seller's Use and pursuant to Section 4.3 hereof, for injection into storage or for withdrawal from storage.

- 1.12 The term “EBB” shall mean Honeoye Storage Corporation’s electronic bulletin board set forth in Section 13 of General Terms and Conditions of this FERC Gas Tariff.
- 1.13 The term “EDM” shall mean Honeoye Storage Corporation’s electronic delivery mechanism.
- 1.14 The term “Equivalent Quantities” shall mean a quantity of Gas containing an amount of Dths equal to the amount of Dths received by Seller for the account of Customer at the Point of Injection /Withdrawal reduced by the Dths removed for Seller's Injection and/or Withdrawal Fuel Use as attributable to the Storage of Customer's Gas.
- 1.15 The term “Gas” means natural gas in its natural state, produced from wells, including casinghead gas produced with crude oil, natural gas from gas wells, and residue gas resulting from processing both casinghead gas and gas well gas.
- 1.16 The term “Interruptible” shall mean that the storage, parking, or lending service is subject to interruption at any time by Seller. An interruptible Customer may be required to withdraw gas from interruptible Storage Capacity or return gas received as Storage Overrun Quantity, should such capacity or gas be required by a firm customer or by another interruptible Customer willing to pay a higher interruptible Storage rate.
- 1.17 The term “Maximum Storage Quantity” shall mean the greatest number of Dths that Seller is obligated to store on behalf of Customer on any Day excluding Storage Overrun Quantity, if applicable.
- 1.18 The term “Month” shall mean the period beginning at 9:00 a.m. Central Time on the first Day of a calendar month and ending at 9: 00 a.m. Central Time on the first Day of the next succeeding calendar month.
- 1.19 The term “North American Energy Standards Board” (“NAESB”) shall mean that accredited organization established to set standards for certain natural gas industry business practices and procedures.
- 1.20 The term “NAESB Standards” shall mean the relevant standardized business practices, procedures and criteria which have been adopted and published by the NAESB and which have been adopted by reference by the Commission.
- 1.21 The term “OBA” shall mean a contract between two parties which specifies the

procedures to manage operating variances at an interconnect.

- 1.22 The term “OFO” shall mean an order issued to deviate conditions which threaten or could threaten the safe operations or system integrity of Seller’s system or to maintain operations required to provide efficient and reliable firm service. Whenever Seller experiences these conditions, any pertinent order will be referred to as an OFO.
- 1.23 The term “Point of Injection/Withdrawal” shall mean the point of interconnection between Seller’s Honeoye Storage Project and third party transporter’s facilities located in Ontario County, New York or such other location as may be designated by Seller and its Customer.
- 1.24 The term “Psig” shall mean pounds per square inch gauge.
- 1.25 The term “Releasing Customer” shall mean any Customer who has agreed to release capacity under Section 7 of Rate Schedule FSS.
- 1.26 The term “Replacement Customer” shall mean any Customer to which capacity is released under Section 7 of Rate Schedule FSS.
- 1.27 The term “Seller” shall mean Honeoye Storage Corporation.
- 1.28 The term “Seller’s Injection Use” shall mean the applicable percentage stated in Seller’s Rate Schedules multiplied by the quantity of Gas injected into storage for the account of Customer.
- 1.29 The term “Seller’s Use” shall mean the sum of the Seller’s Injection Use and the Seller’s Withdrawal Use.
- 1.30 The term “Seller’s Withdrawal Use” shall mean the applicable percentage stated in Seller’s Rate Schedules multiplied by the quantity of Gas withdrawn from storage for the account of Customer.
- 1.31 The term “Service Day” shall mean the Day during which Customer receives storage service pursuant to a nomination in accordance with Section 4 of the General Terms and Conditions of this FERC Gas Tariff.
- 1.32 The term “Storage” or “Storage Service” shall mean the storage, parking or lending of Gas.
- 1.33 The term “Storage Overrun Quantity” shall mean the number of Dths that Seller provides and stores on behalf of Customer on any day in excess of Customer’s Maximum Storage Quantity pursuant to Rate Schedule ISS and Rate Schedule PNFSS.

- 1.34 The terms “Tender,” “Tender Gas” and “Tender of Gas” shall mean that the delivering party is able and willing, and offers, to deliver gas to or for the account of the receiving party at the Point of Injection/Withdrawal; provided, however that an uncapitalized “tender” is not defined by this paragraph.
- 1.35 The term “Transporter” means the Customer’s Transporter designated to deliver gas to the Point of Injection/Withdrawal or Customer’s Transporter designated to receive gas from the Point of Injection/Withdrawal.
- 1.36 The term “Usage Charges” shall mean all variable charges associated with the injection/withdrawal of Gas by Seller.
- 1.37 The term “Wire Transfer” shall mean payments made/effectuated by wire transfer, Automated Clearinghouse, or any other recognized electronic or automated payment mechanism that is agreed upon by Seller in the future.
- 1.38 The term “Working Storage Gas” shall mean the quantity of Gas held in storage at any given time, by Seller, for the account of Customer.

2. REQUESTS FOR SERVICE

- 2.1 Requests. To seek to qualify for Storage Service pursuant to Rate Schedules FSS, PNFSS, ISS, or PAL a potential Customer shall submit a request for such service in writing to the Seller. Seller, as applicable, shall evaluate and respond to such requests as soon as is reasonably possible, and shall begin service as soon as is reasonably possible, after execution of the Agreement or upon the date set forth in the Agreement. Such a request shall be considered acceptable only if the information specified in Section 2.2 below is provided in writing, but Seller may waive all or any portion of such information in individual instances, when the information is already in possession of Seller. Seller on a non-discriminatory basis may require that each request for service under Rate Schedule FSS by or on behalf of each proposed Customer be accompanied by refundable earnest money in the form of either wire transfer or a check payable to Honeoye Storage Company in the amount of the lesser of ten thousand (\$10,000) or the aggregate reservation charges which would be due for two months of service for such requested service, which amount shall be applied, until fully used, against the first amounts due by Customer to Seller as reservation charges; provided, however, that if the request is not accepted by Seller or if service is not otherwise offered, Seller will refund earnest money thirty (30) days after notice to potential Customer that Seller is not accepting offer.

Requests for service shall be sent to:
Honeoye Storage Company
4511 Egypt Road
Canandaigua, NY 14424
Attention: Manager of Marketing and Compliance

2.2 Form of Request for Storage Service

- (a) Each request, to be considered as an acceptable and valid request, must furnish the applicable portion of the information set forth in paragraphs (b)-(j) below. The “Honeoye Storage Corporation Service Request Form” is set forth in this FERC Gas Tariff and may be changed from time to time and reissued by Seller.
- (b) Requestor's Identification: Name, address, representative, telephone number of party requesting service.
- (c) Customer's Identification: (Note: The “Customer” is the party which proposes to execute the Agreement).
 - (1) Name, address, representative and telephone number of Customer;
 - (2) A statement of whether Customer is a local distribution company, an intrastate pipeline, an interstate pipeline, marketer/broker,

producer, end user or other type of entity (which shall be described);

- (3) A statement of whether Customer is acting for itself or as agent for someone else (who must be named); and
 - (4) A statement of whether Customer is a Replacement Customer and the contract number under which Replacement Customer is requesting service.
- (d) Type of Service(s) Category(ies) Requested: Specify which Volume No. 1A Rate Schedule service is desired.
- (e) Quantity: (stated in Dekatherms)
 - (1) Maximum Storage Quantity, which shall not be less than 25,000 Dekatherms, except for volumes under Section 7 of Rate Schedule FSS.
 - (2) Maximum Daily Injection Quantity, which shall be determined in accordance with Seller's Rate Schedules.
 - (3) Maximum Daily Withdrawal Quantity, which shall be determined in accordance with Seller's Rate Schedules
 - (4) Storage Overrun Quantity, if applicable.
- (f) Term of Service:
 - (1) Date service is requested to commence.
 - (2) Date service is requested to terminate (Agreements for FSS shall terminate on March 31 and shall be for a minimum length of twelve months, unless otherwise agreed to by Seller).
- (g) Point of Injection.
- (h) Point of Withdrawal.
- (i) Certified Statement: A certified statement by the Customer that it has, or will have, by the time of execution of an Agreement with Seller, title to, or the legal right to cause to be delivered to Seller, for Storage, the Gas which is to be delivered to Seller and facilities or contractual rights which will cause such Gas to be delivered to and received from Seller.
- (j) Credit Evaluation:

- (1) Customer should submit year end audited financial statements of Customer (if available) together with the latest quarterly report. If audited financial statements are not available, Customer should furnish unaudited financial statements; provided however, that in such event, Seller may request additional credit information.
- (2) Customer's Affiliates, including parent, subsidiaries of parent and of such subsidiaries, and subsidiaries of Customer.
- (3) In the event proceedings have been commenced by or against such Customer for any relief under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension; or in the event a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of such Customer, or of a substantial part of its property, or for the winding up or liquidation of its affairs, shall have been entered, or any substantial part of the property of such Customer shall be sequestered or attached and shall not be returned to the possession of such Customer or released from such attachment within thirty (30) Days thereafter; or in the event such Customer shall make a general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due, or in the event that any financial institution has refused to extend credit to Customer within the past year or any rating agency has downgraded the Customer's securities or issued publicly available material giving an opinion that Customer's credit quality or standing has declined, Customer shall be required to fully disclose any and all actions regarding the above described proceedings against Customer or related parties defined in (2) above, in its request for service.
- (4) Any other information requested by Seller pursuant to Section 11.5 of the General Terms and Conditions.

2.3 Subsequent Information

- (a) If any of the events or actions described in 2.2j(3) above, shall be initiated or imposed during the term of service hereunder, Customer shall provide notification thereof to Seller within two (2) Business Days of any such initiated or imposed event or action. Customer shall also provide, forthwith, such additional Customer credit information as may be reasonably required by Seller, at any time during the term of service hereunder, to determine Customer's creditworthiness.

- (b) After receipt of a request for Storage Service hereunder, Seller may require that Customer furnish additional information as a prerequisite to Seller offering to execute an Agreement with Customer. Such information may include proof of Customer's title to the Gas involved and/or its legal right to cause the Gas to be delivered to Seller for Storage and of Customer's contractual and/or physical ability to cause such Gas to be delivered to and received from Seller.

2.4 Request Validity. Customer's request for Storage Service shall be considered null and void if Seller had tendered an Agreement for execution to Customer and Customer fails to execute the Agreement for FSS either within ten (10) Days if the Agreement is identical to Customer's request for service or fifteen (15) days if the Agreement differs from Customer's request for service thereafter or within five (5) days thereafter for PNFSS, ISS, or PAL. Seller will not execute an Agreement under these Rate Schedules FSS, PNFSS, ISS, or PAL for which it does not have sufficient available capacity. If sufficient capacity is available, but Customer does not desire to or cannot begin Storage Service within thirty (30) days after the date the request is made pursuant to Section 2.2 of these General Terms and Conditions of this Tariff, or such other period as the parties may agree to in writing, then such request shall be considered null and void.

2.5 Customer's Performance. If a Customer that has executed an Agreement for service under Rate Schedule PNFSS or ISS, on the date service is to commence, fails to nominate, pursuant to Section 4.1 of these General Terms and Conditions, a quantity of Gas for Storage, or, having nominated a quantity of Gas and Seller having scheduled the quantity for Storage, pursuant to Section 4.3 of these General Terms and Conditions, fails to Tender such Gas for Storage on the date it is scheduled, the Seller may terminate Customer's Agreement and the Customer's request for service shall be deemed null and void; provided, however, that the Customer's Agreement shall not be terminated nor shall the Customer's request for service be deemed null and void if the Customer's failure to nominate or Tender is caused by an event of force majeure on Seller's system, as defined in Section 9 of these General Terms and Conditions.

2.6 Complaints: In the event that a Customer or potential Customer has a complaint relative to service under this FERC Tariff, the Customer shall:

- (a) Provide a description of the complaint, verbally or in writing, including the identification of the storage request (if applicable), and communicate it to:

Honeoye Storage Company
Attn: Manager of Marketing and Compliance
4511 Egypt Road
Canandaigua, NY 14424

Phone: (585) 229-5161

- (b) Within forty-eight (48) hours, or two Business Days, whichever is later from the day of receipt of a complaint, Seller will respond initially to the complaint and Seller shall respond in writing within thirty (30) days advising Customer or potential Customer of the disposition of the complaint.

2.7 Information: Any person may request information on the pricing or other terms of Storage Service and/or capacity availability by contacting Seller at the following:

Honeoye Storage Company
Attn: Manager of Marketing and Compliance
4511 Egypt Road
Canandaigua, NY 14424
(585) 229-5161

2.8 Relationship with Marketing Affiliates:

- (a) Seller has affiliates that engage in marketing functions as defined in Part 358 of the Federal Energy Regulatory Commission's regulations.
- (b) Seller is not a transmission provider as defined in Part 358 of the Commissions regulations.
- (c) Seller is exempt from the Standards of Conduct under Part 358 of the Commission's Regulations.

2.9 Informational Postings Website:

- (a) Seller will maintain an interactive informational postings website for the use of its Customers and prospective Customers interested in obtaining information about available storage service. Seller's website will provide all information required to be posted thereon under regulations of the FERC, together with such additional information as Seller considers appropriate.
- (b) Information posted on Seller's website will include the following:
 - (1) Firm and interruptible storage, parking and lending service currently available from Seller.
 - (2) Injection and withdrawal capacity currently available.
 - (3) Firm and recallable capacity released by FSS Customers or Replacement Customers pursuant to Section 4 of the General

Terms and Conditions and currently available for allocation.

- (4) Firm capacity that is currently available or will become available by reason of the termination of an FSS service agreement
 - (5) Currently operative offers to purchase capacity tendered pursuant to Section 4 of the General Terms and Conditions.
- (c) With respect to each category of information posted on Seller's website, Seller shall also include relevant information pertaining to the minimum rate at which capacity is offered to Customers and Replacement Customers, any restrictions, terms, or condition imposed on the reallocation of released capacity by the Customer or Replacement Customer releasing that capacity (including the name of any Replacement Customer designated by the Releasing Customer), and the terms and conditions upon which offers to purchase capacity have been tendered.

4. NOMINATIONS, SCHEDULING AND ALLOCATION

4.1

- (a) **Nominations.** Seller will accept nominations for storage service as provided herein. A valid nomination is a data set which contains, at a minimum, the mandatory data elements included in the NAESB Standards related to nominations, and any additional Seller-required data elements. All Standard and Intra-Day Nominations for service shall be made via Seller's EDM as approved by the Commission. Seller will accept nominations via mail, fax, courier service or personal delivery. Seller will support the receipt of nominations, via the methods listed above, and EDM in a manner designed to enable Customers to submit nominations seven days a week, twenty-four hours a day.

Each nomination shall indicate whether it is being submitted as a Standard or Intra-Day Nomination. The standard quantity for nominations, for confirmations and scheduling, in the United States, shall be dekatherms per Day.

Customer may use an agent to provide all or a portion of its nomination data, provided that Seller is so advised in advance in writing. A Customer that uses an agent for such nomination purposes shall hold Seller harmless for all actions or inactions of its agent.

- (b) **Standard Nominations.** A "Standard Nomination" is a nomination for storage service for any Day. The Standard Nomination shall include a begin date and end date, which must be within the term of the Customer's service agreement. Each day within a date range nomination is considered an original nomination. Subsequent nominations for one or more days within the range supersede only the days specified. The days outside the range of the subsequent nominations are unaffected. Nominations have a prospective effect only, provided that Seller and Customer may agree to permit nominations to have a retroactive affect only if operating conditions permit Seller to permit such nominations without adversely affecting other Customers or Seller. Seller shall process all new or revised nominations that are submitted by 11:30 a.m. Central Clock Time and received by 11:45 a.m. Central Clock Time on the Day before the applicable Service Day. Customer may nominate zero (0) for a daily quantity, but in the event Customer nominates a daily quantity in excess of zero (0), such daily quantity shall not be less than five-hundred (500) Dth. Customer shall also inform Seller in advance of each Month of the desired order of priority of injections and withdrawals under each Agreement and Seller may rely thereon (or in the absence of such information, upon Seller's judgment) if allocation under such Agreement is required.

- (c) Standard Nominations Timetable. The timetable for a Standard Nomination shall be as follows on the Day before a Service Day, Central Clock Time

1:00 p.m. for nominations leaving control of Customer;

1:15 p.m. for receipt of nominations by Seller;

1:30 p.m. for Seller to send quick response for nominations submitted via EDM;

4:30 p.m. for Seller to receive completed confirmations from connected parties;

5:00 p.m. for Customer and Operators to receive scheduled volume information from Seller.

In addition, at the end of each Day, Seller shall provide Customer the final scheduled quantities for the just completed Day. Seller will send an end of Day Scheduled Quantity document. Recipients of the end of Day Scheduled Quantity document can waive the obligation of Seller to send the Scheduled Quantity document.

Seller, as receiver of nominations, initiates the confirmation process. The party receiving a request for confirmation or an unsolicited confirmation response may waive the obligation of the Seller to send. The sending party will adhere to nomination, confirmation and scheduling deadlines. The party receiving the communication shall have the right to waive any deadline, on a non-discriminatory basis.

- (d) Other Nominations. Seller may, at its option, accept nominations which are not timely as described above. In that event, Seller shall not be required to comply with the Standard Nomination timeline set out above.

4.2

- (a) Intra-Day Nominations. Any nomination submitted after the standard nomination deadline, by eligible Customers, shall be an "Intra-Day Nomination." An Intra-Day Nomination shall be effective for one (1) Day only. Intra-Day Nominations may be used to nominate new injection or withdrawals. The nomination process set forth in Section 4.1(a) shall apply to the Intra-Day nominations. An Intra-Day quantity shall be a revised daily quantity.

- (1) Timetables for Intra-Day Nominations shall be as follows:

- (a) Evening Nomination Cycle: shall be as follows on the Day before a Service Day, Central Clock Time:

6:00 p.m. for nominations leaving control of Customer;

6:15 p.m. for receipt of nominations by Seller,

6:30 p.m. for Seller to send quick response for nominations submitted via EDM;

8:30 p.m. for Seller to receive completed confirmations from connected parties;

9:00 p.m. for Customer and operators to receive scheduled volume information from Seller and to provide scheduled quantities to bumped parties (notice to bumped parties).

9:00 a.m. for flow of gas.

- (b) Intra-Day 1 Nomination Cycle: shall be as follows on the Service Day, Central Clock Time:

10:00 a.m. for nominations leaving control of Customer;

10:15 a.m. for receipt of nominations by Seller;

10:30 a.m. for Seller to send quick response for nominations submitted via EDM;

12:30 p.m. for Seller to receive completed confirmations from connected parties;

1:00 p.m. for Customer and operators to receive scheduled volume information from Seller and to provide scheduled quantities to bumped parties (notice to bumped parties);

2:00 p.m. for flow of gas.

- (c) Intra-Day 2 Nomination Cycle: shall be as follows on the Service Day, Central Clock Time:

2:30 p.m. for nominations leaving control of Customer;

2:45 p.m. for receipt of nominations by Seller;

3:00 p.m. for Seller to send quick response for nominations

submitted via EDM;

5:00 p.m. for Seller to receive completed confirmations from connected parties;

5:30 p.m. for Customer and operators to receive scheduled volume information from Seller and to provide notice to bumped parties;

6:00 p.m. for flow of gas.

- (d) Intra-Day 3 Nomination Cycle: shall be as follows on the Service Day, Central Clock Time:

7:00 p.m. for nominations leaving control of Customer;

7:15 p.m. for receipt of nominations by Seller;

7:30 p.m. for Seller to send quick response for nominations submitted via EDM;

9:30 p.m. for Seller to receive completed confirmations from connected parties;

10:00 p.m. for flow of gas. Bumping is not allowed during the Intraday 3 Nomination Cycle.

10:00 p.m. for Customer and operators to receive scheduled volume information from Seller and to provide notice to bumped parties;

- (e) For purposes of Section 4.2(a)(1)(a), (b), (c) and (d) "provide" shall mean, for transmittals pursuant to NAESB Standards, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

An Intra-Day Nomination is subject to operator's confirmations and Seller's operating conditions. If operator confirmation is not received, the Intra-Day Nomination will not be accepted. Seller will not accept a reduced Intra-Day Nomination for any quantity deemed already delivered based on an average hourly flow, provided that Seller and Customer may permit such reduced intra-day nominations only if operating conditions permit Seller to permit such nominations without adversely affecting other Customers or Seller.

- (b) For purposes of providing notice of any nomination changes to a Customer and/or Customer's agent, Seller shall contact either party by telephone or other instant communication device. With respect to changes initiated by Seller, if a Customer so elects, such Customer may provide a telephone number and Seller will contact Customer at such phone number to alert Customer that a change has been made; provided that where an interruptible Customer's nomination is bumped by a firm Customer's Intra-Day Nomination, Seller shall provide notice of such bump to the interruptible Customer in the same manner that Seller uses to notify Customers of OFOs.

4.3 Scheduling of Storage and Allocation of Service. For each Day, Seller will schedule injections and withdrawals of Gas, on the basis of: storage nominations made by Customers (which Seller is hereby authorized to rely upon in its scheduling); storage capacity available on Seller's system in light of nominations and requests; and overall operating conditions from time to time. If, on any Day, Seller determines that the capacity of its system is insufficient to serve all storage nominations scheduled for such Day, or to accept the quantities of Gas Tendered, capacity shall be allocated to provide service in the following order:

- (a) In scheduling deliveries of firm storage nominations on any Day when capacity is constrained, Seller shall allocate service on a pro rata basis to those Customers nominating volumes on such Day based upon such Customer's contracted daily injection or withdrawal volumes as a fraction of the contracted daily injection or withdrawal volumes of all Customers nominating volumes on such Day.
- (b) In scheduling nominated quantities for Priority Non-Firm or Interruptible Storage Services hereunder, after providing for Firm Storage Service, Seller shall utilize the priorities established in Section 10 of these General Terms and Conditions, provided however that no Priority Non-Firm or Interruptible Customer shall have a claim of priority on any Day to quantities in excess of the lesser of (1) such Customer's Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity as applicable or (2) such Customer's nomination.

4.4 Delivery of Gas. Seller, subject to the other provisions hereof, shall make daily delivery, to the extent practicable, of Equivalent Quantities of Gas at the Point of Injection/Withdrawal in accordance with Seller's scheduled deliveries.

- 4.5 Hourly Variation. Injections and withdrawals shall be made at uniform hourly rates to the extent practicable.
- 4.6 Limitation on obligation. Should the quantities of Gas received from Customer(s) by Seller at the Point of Injection/Withdrawal exceed the Maximum Daily Injection Quantity plus the Seller's Injection Use, Seller shall notify Customer(s) of such fact within a reasonable time after such becomes known, and Customer(s) shall seek to reduce deliveries to Seller forthwith. In the event any such excess delivery would jeopardize the safety of Seller's operations and/or its ability to meet its contract commitments to others, such decisions being solely within the judgment and discretion of Seller, Seller shall have the right to refuse to accept, without any liability to Customer, or any other person, all or such part of said excess delivery as Seller deems necessary, and shall notify Customer accordingly.
- 4.7 Reduction in Maximum Storage Quantity. In the event that Customer nominates or utilizes less than 50% of its Maximum Storage Quantity under Rate Schedule ISS for a period of one (1) year, Seller may reduce Customer's Maximum Storage Quantity to 125% of the average utilization during such year, which new Maximum Storage Quantity, as applicable, shall be effective on the first Day of the Month following the Month in which Seller gives Customer notice of such reduction.

6. MEASUREMENT AND MEASUREMENT EQUIPMENT

6.1 Unit of Volume:

- (a) The unit of volume for measurement hereunder shall be one thousand cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and an absolute pressure of fourteen and seventy-three hundredths pounds per square inch, dry, (14.73 psia) having an average Total Heating Value per Cubic Foot of one thousand (1,000) Btus.
- (b) The Total Heating Value per Cubic Foot of the gas delivered and redelivered hereunder shall be determined by a recording calorimeter of standard manufacture or other method mutually acceptable to both Seller and Transporter, on Customer's behalf, and installed so that it may properly record the gross heat content of the gas at the Point of Injection/Withdrawal. Where a calorimeter is used, the arithmetical average of the hourly gross heat content recording each day shall be deemed to be the heat content of the gas for that day. Such Calorimeter shall be checked at least once each month to assure its proper operation and accuracy. An appropriate certified gas sample of known heat content shall be used to check the calorimeter accuracy.

6.2 Computations of volume from Meter Readings and Registrations: The volume of gas delivered or redelivered hereunder shall be determined in the manner specified in AGA Gas Measurement Committee report No. 3 ("AGA report No. 3") published in 1978, as such publication may be revised from time to time, or of other reports and publications which are mutually acceptable to Seller and Transporter, on Customer's behalf.

6.3 Flowing Temperature: The flowing temperature of gas delivered and redelivered hereunder shall be determined by means of a standard recording thermometer or other instrument of standard manufacture accepted in the industry. The flowing temperature used in determining the flowing temperature factor for each meter chart shall be the arithmetical average of the temperature shown by the recording instrument during the period of time when gas is passing through the meter.

6.4 Specific Gravity: The specific gravity of the gas delivered and redelivered hereunder shall be determined by a recording specific gravity instrument of standard manufacture or other method mutually acceptable to Seller and Transporter, on Customer's behalf, and installed so that it may properly record the specific gravity of the gas at the point of delivery. The arithmetical average of the hourly specific gravity recording each day shall be deemed to be the specific gravity of the gas for that day. Such instrument shall be checked by the use of an Edwards Balance, or by any other method, at intervals mutually agreed to by Seller and Transporter, on Customer's behalf.

- 6.5 Supercompressibility: Adjustment for the effect of supercompressibility for gas delivered and redelivered hereunder shall be made according to the provisions of AGA Report NX-19 as such publication may be revised from time to time, or of other reports and publications which are mutually acceptable to Seller and Transporter, on Customer's behalf, for the average conditions of pressure, flowing temperature and specific gravity at which the gas was measured during the period under consideration and with the proportionate values of carbon dioxide and nitrogen in the gas delivered and redelivered included in the computation of the applicable supercompressibility factors. Customer shall cause Transporter to exercise due diligence in obtaining initial carbon dioxide and nitrogen fraction values and to obtain subsequent value of these components quarterly or at other intervals mutually agreeable to Seller and Transporter, on Customer's behalf.
- 6.6 Assumed Atmospheric Pressure: The average absolute atmospheric (barometric) pressure shall be assumed to be fourteen and four-tenths pounds per square inch (14.4 psia) irrespective of actual elevation or location of the point of delivery above sea level or variations in actual barometric pressure from time to time.
- 6.7 Measuring Equipment: Unless otherwise agreed among Customer, Transporter, and Seller, the gas which Customer delivers or causes Transporter to deliver to Seller for storage hereunder and which Seller redelivers to Transporter for the account of Customer shall be measured by measuring equipment which Customer shall cause Transporter to own, install and operate at the Point of Injection/Withdrawal. Customer shall cause the measuring equipment to be of one-way flow design and of a type and kind generally accepted by the natural gas industry for the measurement of natural gas in accordance with the provisions of this Article hereof at the rates of flow and pressures expected to exist at the Point of Injection/Withdrawal. When orifice meters are used, they shall be of a type specified and recommended in AGA Report No. 3 as such publication may be revised from time to time or of other reports and publications which are mutually agreeable to Seller and Transporter, on Customer's behalf, and the construction and installation shall be in accordance with the recommendations and specifications set forth in said agreed to report.
- 6.8 Access to Measuring Equipment, Tests and Charts: Unless otherwise agreed among Customer, Transporter, and Seller, Customer shall cause Transporter to provide Seller with access to all measuring equipment at all reasonable hours, but the reading, calibrating and adjusting hereof and the changing of charts or such other measuring equipment shall be done by Transporter on behalf of Customer. Further, Customer shall cause Transporter to provide Seller the right to be present at the time of any installing, testing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the measuring equipment used in determining the volumes of deliveries and redeliveries hereunder, and to provide Seller with reasonable notice thereof in order that it may be present. The records and charts from such measuring equipment shall remain the property of Transporter but Customer shall cause Transporter to

provide, upon request, to Seller such records and charts, or reproductions thereof, together with calculations therefrom for inspection and verification. Original records or charts so submitted will be returned within thirty (30) days after receipt thereof. Additionally, Customer shall cause Transporter to give Seller the option to install at any time and at its own expense, such ancillary materials and equipment which will access measurement data on a real time basis and transmit such data to its operating location.

- 6.9 Check Measuring Equipment: Unless otherwise agreed among Customer, Transporter, and Seller, Customer shall cause Transporter to allow Seller to install, maintain and operate, at its own expense, such check measuring equipment as it shall desire at the Point of Injection/Withdrawal, and further cause Transporter to provide a suitable site therefore and allow Seller free access to and use of the site; provided that such equipment shall be so installed, maintained and operated as not to interfere with the operation or maintenance of Transporter's measuring equipment at the Point of Injection/Withdrawal. Customer or Transporter shall have free access to the check measuring equipment at all reasonable hours. The reading, calibrating and adjusting thereof and the changing of charts shall be done by Seller, but Customer or Transporter shall be given reasonable notice thereof. Customer shall cause Transporter to allow Seller to remove any of Seller's equipment at any time. It is expressly agreed that Customer or Transporter shall not be responsible or liable for the care or maintenance or for damage, unless due to the negligence of Customer and/or Transporter, to or regarding such check measuring equipment installed by or on behalf of Seller.
- 6.10 Failure of Measuring Equipment: Seller and Customer agree that if for any reason Transporter's measuring equipment is out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading thereof, the gas delivered during the period such measuring equipment is out of service or out of repair shall be estimated and agreed upon on the basis of the best data available, using the first of the following methods which is feasible:
- (a) by using the registration of any check meter or meters if installed and accurately registering; or
 - (b) by using the registration of any storage field meter(s) if installed and accurately registering; or
 - (c) by correcting the error if the percentage or error is ascertainable by calibration, test or mathematical calculation; or
 - (d) by estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the measuring equipment was registering accurately.

- 6.11 Reasonable care shall be exercised in the installation, maintenance and operation of the measuring equipment so as to avoid any inaccuracy in the determination of the volume of Gas injected and withdrawn. The accuracy of all measuring equipment shall be verified by operator at reasonable intervals, and if requested, in the presence of representatives of the other party, but neither Seller nor Customer shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period.

If either party at any time desires a special test of any measuring equipment, it will promptly notify the other party and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. Transportation and related expenses involved in the testing of meters shall be borne by the party incurring such expenses.

The operator, for purposes of this section, shall be the owner of the equipment referenced herein, or the agent of such owner, or such other person as the parties may agree in writing.

- 6.12 Correction of Measuring Equipment Errors: unless otherwise agreed among Customer, Transporter, and Seller, Seller and Customer agree that if upon any test, Transporter's measuring equipment is found to be not more than two percent (2.0%) fast or slow, previous readings of such equipment shall be considered correct in computing the deliveries of gas, but such equipment shall be adjusted properly at once to record accurately. Seller and Customer further agree that if upon any test, Transporter's measuring equipment shall be found to be inaccurate by any amount exceeding two percent (2.0%), then any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but if the period is not known definitely or agreed upon, such correction shall be for a period covering the last half of the time elapsed since the date of the last test.
- 6.13 The parties agree to preserve for a period of at least three (3) years or such longer period as may be required by public authority, all test data, charts, if any, and other similar records.
- 6.14 In accordance with the provisions of this Section 6 of the General Terms and Conditions, Seller will use the best information available to make its allocation of quantities upon the close of a service Month. For the purposes of this Section 6, "close" shall mean five (5) Business Days after the applicable service Month. To the extent that adjustments are made after the date of such close, such adjustments ("Prior Period Adjustments" or "PPA") shall be treated under this Section 6.14. If the PPA are due to the correction of measurement data or reallocation of volumes, such adjustments should be processed within six (6) Months of the applicable service Month. If the affected party disputes the as-adjusted quantity it is entitled to rebut the basis for the PPA, but only if it does so within three (3) Months of the processing of the as-adjusted quantity. Notwithstanding the above specified

deadlines for processing/rebutting PPA, such deadlines shall not apply in the case of deliberate omission or misrepresentation or mutual mistake or fact. Parties' other statutory or contractual rights shall not be diminished by this standard.

- 6.15 Improvements in Gas Measuring Techniques: If, at any time during the term hereof, a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted upon mutual agreement of Seller and Transporter on Customer's behalf.

7. QUALITY

- 7.1 Heat Content. Heat content shall mean the gross heating value per cubic foot of Gas received or delivered hereunder. Such Gas shall have a heat content not less than 967 BTU per cubic foot nor more than 1100 BTU when determined on a dry basis. Seller shall have the right to waive such BTU content limits if, in Seller's sole opinion, Seller is able to accept Gas with a BTU content outside such limits without affecting Seller's operations.

For the purpose of calculating injections and withdrawals, the heat content of the Gas so determined at each such point shall be deemed to remain constant at such point until the next determination. The unit of quantity for the purpose of determining total heating value shall be one (1) cubic foot of anhydrous Gas at a temperature of sixty degrees (60) Fahrenheit and an absolute pressure of 14.73 psia, dry.

- 7.2 Freedom from Objectionable Matter. The Gas injected and withdrawn hereunder:

- (a) shall be commercially free, at prevailing pressure and temperature in Seller's equipment and facilities, from objectionable odors, dust or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment and facilities of Seller.
- (b) shall not contain more than twenty (.20) grains of hydrogen sulfide per one hundred (100) cubic feet of Gas, as determined by methods prescribed in Standards of Gas Service, Circular of the National Bureau of Standards, No. 405, page 134 (1934 edition), and shall be considered free from hydrogen sulfide (H_2S) if a strip, of white filter paper, moistened with a solution containing five percent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution, after the first paper has been exposed to the Gas for one and one-half (1-1/2) minutes in an apparatus of approved form, through which the Gas is flowing at the rate of approximately five (5) cubic feet per hour, the Gas from the jet not impinging directly upon the test paper; or the H_2S content may be determined by an instrument of approved type and by approved methods agreeable to the parties;
- (c) shall not contain more than twenty (20) grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) cubic feet of Gas;
- (d) shall not at any time have an oxygen content in excess of two-tenths of one percent (0.20%) by volume and every reasonable effort to keep the Gas free of oxygen;

- (e) shall not contain more than four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed three (3%) by volume.
- (f) shall have a temperature of not more than one hundred twenty degrees (120°) Fahrenheit;
- (g) shall have been dehydrated for removal of entrained water present therein in a vapor state, and in no event contain more than seven (7) pounds of entrained water per million cubic feet, at a pressure base of fourteen and seventy three hundredths (14.73) pounds per square inch and a temperature of sixty degrees (60°) Fahrenheit as determined by dew-point apparatus approved by the Bureau of Mines or such other apparatus as may be mutually agreed upon.
- (h) shall not contain polychlorinated biphenyls.

In the event Transporter is granted authority by the FERC to change the quality specifications set forth in its transportation tariff in a manner which materially differs from the quality specifications set forth in this tariff, then Seller agrees to waive the affected quality specifications of this tariff and to apply the approved quality specifications of the Transporter's tariff in substitution thereof. Customer shall notify Seller, in writing, within ten (10) days of approval by the FERC of any such changes to Transporters tariff.

- 7.3 Failure to Meet Specifications. Should any Gas Tendered for injection or withdrawal hereunder fail at any time to conform to any of the specifications of this Article, the affected party shall notify the other party of any such failure and the affected party may at its option suspend all or a portion of the receipt of any such Gas, and shall be relieved of obligations hereunder for the duration of such time as the Gas does not meet such specifications.
- 7.4 Notwithstanding anything herein contained to the contrary, if the gas delivered or redelivered hereunder fails at any time to conform to any of the specifications of this Article, including, but not limited to, failure at any time to have a Total Heating Value per Cubic Foot of at least nine hundred and sixty-seven (967) Btus, the party to whom such gas is being delivered or redelivered may notify the other party of such failure and may, at its option, reject further deliveries or redeliveries until the condition is corrected. Customer therefore authorizes Seller to refuse to accept deliveries from Transporter which do not conform to the specifications of this Article unless and until said deliveries are, in Seller's sole opinion, conformed to said standard. After receiving a notice hereunder, the party responsible for such failure shall immediately take all necessary steps to correct the condition and, upon completion thereof, shall resume deliveries and redeliveries in accordance with the terms and conditions of this Agreement. The remedies herein provided are in addition to any and all other remedies to which

either party may be entitled.

- 7.5 Commingling. It is recognized that Gas delivered to Seller by Customer will be commingled with other Gas stored hereunder by Seller. Accordingly, the Gas of Customer shall be subject to such changes in heat content as may result from such commingling and Seller shall, notwithstanding any other provision herein, be under no obligation to withdraw for Customer's account, Gas of a heat content identical to that caused to be delivered by Customer to Seller.

8. BILLING AND PAYMENT:

- 8.1 Billing. On or before the ninth (9th) Business Day following each Month, Seller shall render, (for purposes of this Section 8 1, "render" shall mean (a) postmarked or (b) time stamped and electronically transmitted via EDM to the designated site, whichever is applicable) an invoice to Customer setting forth the amount due for such Month under the applicable Rate Schedule(s). Seller's invoice shall be based on actuals (if available) or best available data. Quantities at points where OBAs exist shall be invoiced based on scheduled quantities. Seller may utilize estimates of the quantity of Gas received for injection from or Tendered to or for account of Customer during a Month, in place of actual quantities when actual quantities are not reasonably available; provided that adjustments shall be made in later invoices for differences between such estimated and actual quantities. Such invoice shall include credits for capacity assignment required by Section 7 of Rate Schedule FSS, if any.

When information necessary for invoicing purposes is in the control of Customer, Customer shall furnish such information to Seller on or before the third (3rd) Day following the Month.

Both Seller and Customer have the right to examine at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any invoice, charge or computation made under or pursuant to any of the provisions hereof.

- 8.2 Payment. Customer shall pay any invoice, on or before the tenth (10th) Day after the date of the invoice. Payments by Customer to Seller shall be made in the form of Wire Transfer directed to a bank account designated by Seller, unless otherwise agreed to by the parties. Customer shall identify the invoice number specified by Seller to which the payment relates. If Customer submits payment different from the invoiced amount, remittance detail must be provided with payment.

If rendition of an invoice by Seller is delayed after the ninth (9th) Business Day following the Month, then the time of payment shall be extended accordingly unless Customer is responsible for such delay. Should Customer fail to pay all of the amount of any invoice as herein provided when such amount is due, interest on the unpaid portion of the invoice shall accrue from the due date until the date of payment at a rate of interest equal to the prime rate plus two percent (2%) charged by Bank of New York Mellon, or any such successor bank as may result from a purchase or merger of Bank of New York Mellon, to responsible commercial and industrial borrowers, but which in no event shall be higher than the maximum rate permitted by applicable law. If such failure to pay continues for a period of thirty (30) days from the date of the original invoice, then Seller shall have the right to temporarily suspend service, then following thirty (30) Days prior written notice from Seller of its intent to abandon service under the Agreement, Customer shall be deemed to have consented to such abandonment of

service, unless within the thirty (30) Day period Customer pays to Seller the entire balance due with interest, and Seller, in addition to any other remedy it may have hereunder, may suspend further injection or withdrawal of Gas for Customer and may enter into Agreements to provide service to others using Customer's capacity and deliverability; provided, however, that if Customer in good faith shall dispute the amount of any such invoice or part thereof and shall pay to Seller such amounts not in dispute, accompanied by documentation supporting the basis for the dispute and, at any time thereafter within thirty (30) Days of a demand made by Seller, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Seller or other assurance acceptable to Seller, guaranteeing payment to Seller of the amount ultimately found due upon such invoice after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Seller shall not be entitled to suspend further service or to terminate or abandon service under the Agreement unless and until default be made in the conditions of such bond. The foregoing shall be in addition to any other remedies Seller may have, at law or in equity, with respect to Customer's failure to pay the amount of any invoice, including, but not limited to, the imposition of carrier liens on gas stored by Honeoye, provided such imposition of carrier liens is permitted under the laws of New York.

- 8.3 Adjustment of Invoicing Errors. Subject to the provisions of Section 6 of these General Terms and Conditions, if it shall be found that at any time or times Customer has been overcharged or undercharged and Customer shall have actually paid the invoice containing such charges, then within thirty (30) Days after the final determination thereof, either Seller shall refund the amount of any such overcharge or Customer shall pay the amount of any such undercharge. In the event an error is discovered in the amount invoiced in any invoice rendered by Seller, such error shall be adjusted within thirty (30) Days of the determination thereof, provided that claim therefor shall have been made within thirty (30) Days from the date of discovery of such error, but in any event within six (6) Months from the date of such invoice. The party receiving such request for adjustment shall have three (3) Months to rebut such claim; otherwise the invoice shall be adjusted as requested. The preceding time limits do not apply to deliberate omission or misrepresentation or mutual mistake of fact or government required rate changes. The parties' statutory or contractual rights shall not otherwise be diminished by this Section. If the parties are unable to agree on the adjustment of any claimed error, any resort by either of the parties to legal proceedings shall be commenced within fifteen (15) Months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred.

8.4 BILLING ADJUSTMENT FOR RATE SCHEDULE WITHDRAWAL
PENALTY AND/OR SALE OF WORKING STORAGE GAS.

- (a) Billing Adjustment. A billing adjustment shall be made to non-offending Customers' bills crediting all revenues collected by Seller, net of costs, as a result of gas left in storage after termination of FSS, PNFSS, ISS, or

PAL storage service agreements and or Late Withdrawal Rate collected pursuant to FSS, PNFSS, ISS, or PAL storage service agreements. A pro rata allocation pursuant to this Section 8.4 of such revenue will be credited to each non-offending Customer, and will appear on the invoice for the next Month's business following actual receipt by Seller of such revenues. Seller shall have ninety (90) Days from the end of the Month, in which such Penalty Gas was retained, to sell the Penalty Gas or, if authorized to purchase the Penalty Gas for use as cushion gas. The Penalty Gas shall be sold as near as practical to the market rate existing at the time the Penalty Gas is sold. If sale of Penalty Gas is made to an affiliate of Seller or purchased by Seller, Seller shall sell or purchase such Penalty Gas at no less than the Niagara spot market price on the Day of such sale.

- (b) Allocation Base. Customers will receive a pro rata allocation of net penalty revenue, based upon the following allocation base:
 - (1) Non-offending Rate Schedule FSS or PNFSS Customers: The Maximum Storage Quantity such Customers had a right to store in the Month Withdrawal Penalty invoked; and
 - (2) Non-offending Rate Schedule ISS or PAL Customers: The Average Monthly Storage Volume the Customer stored in the Month Withdrawal Penalty invoked.
- (c) Monthly Credit. Each Customer will receive a Monthly Credit based upon the formula
$$X (Y / Z), \text{ where:}$$
 - X = Total net Penalties collected by Seller in a Month
 - Y = The Customer's allocation base derived in accordance with Section 8.4(b) above; and
 - Z = The Sum of all of Customers' allocation bases derived in accordance with Section 8.4(b) above.

8.5 INVOICING OF PRODUCER CERTIFIED GAS CUSTOMERS.

- (a) Producer Certified Gas ("PCG") Invoicing Option. This PCG Invoicing Option is available to Customers who are customers of Tennessee Gas Pipeline Company, L.L.C.'s ("Tennessee") and have met the requirements as determined by Tennessee to utilize the Producer Certified Gas Pooling Service Option under Tennessee's Rate Schedule SA (each such Customer a "Tennessee PCG Customer").
- (b) Creation, Tracking of PCG Account. To utilize the PCG Invoicing Option, a Tennessee PCG Customer who has provided notice pursuant to paragraph (d) below may notify Seller through Seller's EBB or other

agreed upon method that with respect to a scheduled and confirmed injection into Seller's facilities that all or a portion of such injection is Gas that has been certified pursuant to Tennessee's Rate Schedule SA ("PCG Designated Gas"). Seller will maintain records of amounts in Dekatherms of such PCG Designated Gas held in storage for each Customer. A Customer's PCG Designated Gas amount may not exceed its Maximum Storage Quantity, and a Customer may not credit its account of PCG Designated Gas on a Day by amounts beyond its scheduled and confirmed injection quantities pursuant to its Agreement for such Day. A Tennessee PCG Customer with a positive PCG Designated Gas account balance may notify Seller pursuant to this Section 8.5 that with respect to a scheduled and confirmed withdrawal from Seller's facilities on a Day, that all or a portion of such withdrawal shall be debited against amounts of PCG Designated Gas credited on its behalf. A Customer may not maintain a negative balance of PCG Designated Gas, and a Customer may not debit its account of PCG Designated Gas on a Day by amounts beyond its scheduled and confirmed withdrawal quantities pursuant to its Agreement for such Day. With respect to a scheduled and confirmed flows on a given Day, Tennessee PCG Customer shall provide notice to Seller of amounts of PCG Designated Gas by 9:00 a.m. Central Clock Time at the end of the Gas Day.

- (c) Fuel and Other Charges; Effect on Obligations. The invoicing herein of PCG Designated Gas shall not relieve Tennessee PCG Customer of any obligations, including without limitation fuel charges, use charges, or other charges in the Agreement. Thus, it is Customer's obligation to schedule and store sufficient Gas to maintain its accounting of PCG Designated Gas. The invoicing of PCG Designated Gas shall not have any effect on a Tennessee PCG Customer's contract, or its contract quantities under its Agreement, nor shall it impose any obligation of service upon Seller beyond invoicing of PCG Designated Gas as described in this Section 8.5. Tennessee PCG Customer indemnifies and holds Seller harmless for any claims related to or arising from the transfer or certification of PCG Designated Gas.
- (d) Invoicing. Upon written notice by a Tennessee PCG Customer that it desires to utilize the PCG Invoicing Option, Seller will include in such customer's invoice rendered pursuant to Section 8.1 of these General Terms and Conditions a statement of the amounts of PCG Designated Gas held in storage for such customer for each Month thereafter, including new credits and debits for the Month.
- (e) Records. Records related to accounting and invoicing under the PCG Invoicing Option will be maintained in a manner consistent with other Customer billing records.

9. FORCE MAJEURE

- 9.1 Definition. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms (including but not limited to tornadoes or tornado warnings), crevasses, floods, washouts; arrests and restraints of the government, either Federal or State, civil or military or civil disturbances. Relative to Seller's service and solely to the operation of its system, force majeure shall also mean shutdowns for purposes of necessary repairs, relocation, or construction of facilities; breakage or accident to machinery, wells or lines of pipe or casings; testing (as required by governmental authority or as deemed necessary by Seller for the safe operation of the underground storage reservoir and facilities required to perform the service hereunder), the necessity of making repairs or alterations to machinery or lines of pipe; failure of wells, surface equipment or pipe lines, well or line freeze ups; accidents, breakdowns, inability to obtain necessary materials, or supplies or permits, or labor or land rights to perform or comply with any obligation or condition of this Agreement; and any other causes, whether of the kind herein enumerated or otherwise which are not reasonably in Seller's control. It is understood and agreed that the settlement of strikes or lockouts or controversies with landowners involving rights of way shall be entirely within Seller's discretion and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of Seller.
- 9.2 Force Majeure. If by reason of force majeure either party hereto is rendered unable, wholly or in part, to carry out its obligations under this Agreement, it is agreed that on such party giving notice in full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the cause relied on, the party giving such notice, so far as and to the extent that it is affected by such force majeure, shall not be liable in damages during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch.
- 9.3 Limitations. Such force majeure affecting the performance hereunder by either Seller or Customer, however, shall not relieve such party of liability in the event of concurring negligence or a failure to use due diligence to remedy the force majeure situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer, in whole or in part from its obligations to pay the monthly charges provided for in Section 8 of these General Terms and Conditions.

10. PRIORITY OF SERVICE REQUESTS AND SERVICE AGREEMENTS

10.1 Open Season.

- (a) Notice of open season. Prior to or upon the initial availability of FSS, PNFSS, ISS, and PAL services, Seller shall post notice of the open season on its EBB and informational postings website, at least one (1) day prior to the commencement of the open season. Such notice shall set forth when the open season begins and ends, where interested parties may submit requests for firm or interruptible services, the minimum rates Seller will accept for the available service, and how interested parties may obtain forms for requesting service and additional details about the open season. Upon the termination of FSS, PNFSS, ISS and/or PAL agreements Seller shall make further postings on its EBB and informational postings website of the available storage services.
- (b) Duration. The open season shall commence at the time and day specified and for the term indicated in the notice of open season. If, subsequent to an open season any firm capacity remains unsubscribed, Seller shall be permitted to enter into a service agreement with a qualified customer without the need to commence another open season. During this time Seller will accept requests for the service that is available.
- (c) Execution of agreements. A Customer allocated service in an open season shall be required to execute service agreement(s) for firm service within fifteen (15) days following the close of the open season if the Agreement differs from Customer's request for service, or within ten (10) days if the agreement is identical to Customer's request for service, or forfeit the service that has been allocated to it.

10.2 Firm Storage

- (a) This section sets forth the procedure for allocating firm storage capacity that becomes available other than through Section 10.1, the Right of First Refusal procedure set forth in Section 10.2(b), or the capacity release provisions of Rate Schedule FSS. Firm storage capacity subject to the allocation procedure set forth herein includes any firm storage service that becomes available on Seller's system, now or in the future, including firm storage service performed under Part 157 for which abandonment authority has been sought or obtained. In the event that firm storage capacity becomes available on Seller's system, Seller shall post on its EBB and informational postings website all relevant terms and conditions pertaining to such capacity and will solicit bids for at least ten (10) business days. Seller shall evaluate and determine the best bid in a non-discriminatory manner designed to allocate the capacity to the customer who values it the most over the term selected by Seller. Notwithstanding

the foregoing, nothing herein shall require Seller to provide service at any rate that does not, in Seller's sole judgment, yield an acceptable return to Seller. Moreover, Seller shall not be required to enter into Service Agreements with terms of more than one year unless Customer has a long-term debt rating of at least Baa3 according to Moody's Investor Service or BBB- according to Standard & Poor's Corporation or unless all obligations to Seller are guaranteed by a person with a long term debt rating equal to or greater than that stated above. In the event two or more bids with equal economic values are received for combined capacity in excess of the quantity of available firm capacity, the capacity will be allocated ratably on the basis of the quantities bid.

b) Right of First Refusal:

Contractual Right of First Refusal at End of Contract Term. Seller may discontinue service to Customer at the end of a primary term of an FSS Agreement with a primary term beginning after April 1, 2007, unless (i) Seller and Customer mutually agree to a contractual right of first refusal, which shall be negotiated on a not unduly discriminatory basis, and (ii) Customer exercises its contractual right of first refusal for the capacity covered by the FSS Agreement by matching the terms offered to Seller for such capacity by any qualified prospective successor customer during an open season conducted in accordance with the General Terms and Conditions of Seller's currently effective tariff.

c) Exercise of Right of First Refusal

- (i) Not less than three (3) months prior to the termination or expiration of an FSS Agreement subject to a negotiated right of first refusal an open season will be held for the purpose of awarding the capacity that is to become available upon such FSS Agreement's termination or expiration. This open season will be conducted pursuant to the terms and conditions set forth in the General Terms and Conditions of Seller's currently effective tariff.
- (ii) Bids from qualified successor customers who desire, in whole or in part, the capacity to be made available upon the expiration or termination of such FSS Agreement must be received by Seller no later than thirty (30) days after commencement of the open season. Upon expiration of the open season, Seller will select the highest acceptable bid received from a qualified successor customer and, within three (3) Business Days of such selection, communicate the terms of the highest acceptable bid to the current capacity holder, who may elect, within ten (10) Business Days or such greater time as Seller may specify, to execute a renewal FSS Agreement upon the same terms, whether for a part or the entirety of the capacity

subject to the current holder's right of first refusal. The current capacity holder's right of first refusal under this Section shall attach irrespective of which party provides written notice of termination of the current capacity holder's existing Service Agreement. In determining which bid for the capacity is the highest, Seller will use the evaluation method specified in the notice of the open season posted on its Internet Website.

- (iii) If the current capacity holder does not elect to match the terms of such highest acceptable bid or the current capacity holder and Seller do not agree on terms of service pursuant to Section 8.3 below, then its FSS Agreement will expire at the conclusion of its term and Seller will be deemed to have all necessary abandonment authorization under the NGA with respect to such service. Seller may enter into a new FSS Agreement with the qualified successor customer who submitted the highest acceptable bid.
 - (iv) Seller shall retain the right to require a minimum rate, which shall be market-based, for bids during any such open season.
- d) If during the open season, Seller receives no bids or rejects all bids, Seller will post the capacity as unsubscribed capacity and Seller and the current capacity holder may negotiate for continuation of service under mutually satisfactory rates, terms, and conditions. During such negotiations with the current capacity holder, or in the event that the current capacity holder declines to negotiate for continuation or service, Seller may also enter into negotiations with other potential Customers for services to commence upon the effective date of the termination of the current capacity holder's FSS Agreement. In no event, however, may the current capacity holder retain capacity subject to the right of first refusal at a rate lower than the highest rate contained in a bid, if any, that has been submitted for such capacity by a qualified prospective successor Customer during the open season but rejected pursuant to Section 10.2(c)(ii) of the General Terms and Conditions of Seller's currently effective tariff.
- (e) Priority of Firm Storage Under Agreements: All firm Storage Service Agreements under Rate Schedule FSS shall have equal priority as to service, and shall have priority over Priority Non-Firm and Interruptible Storage Services under Rate Schedules PNFSS, ISS or PAL. Service under FSS, PNFSS, ISS, and PAL shall have priority over Overrun Service.

10.3 Priority Non-Firm, Interruptible and Overrun Storage

- (a) Priority of Nominations For Priority Non-Firm and Interruptible Service: Seller, in determining the allocation of interruptible service capacity on any Day among Customers which have nominated quantities of service

desired on such Day under Rate Schedules PNFSS, ISS or PAL shall be assigned the order of priority of such service on the basis that the highest rate offered for such service shall be accorded the highest priority. If more than one nomination or request for Priority Non-Firm or Interruptible Storage Services under Rate Schedules PNFSS, ISS or PAL on a Day includes an offer of the same rate, then the order of priority as among such nominations or requests shall be the same, and if the available capacity is insufficient to provide the full level of service proposed in such nominations or requests, the service provided shall be allocated among such Customers pro rata based on the quantities nominated or requested.

- (b) A Customer desiring service under Rate Schedules PNFSS, ISS or PAL shall submit to Seller, at least one (1) business Day prior to the start of such service, the rate that such Customer is willing to pay for such service. The rate submitted by Customer pursuant to the above provision shall be used to determine priority among nominations on each Day. Once Customer's nomination is accepted, and priority is assigned thereto pursuant to this section, such priority shall not be changed by the execution of new PNFSS, ISS or PAL Agreements during the day for service under Rate Schedules PNFSS, ISS or PAL.
- (c) Notwithstanding the provisions of this Section 10.3, if a Customer under Rate Schedules PNFSS, ISS or PAL fails to submit a timely nomination for service for a Day, pursuant to the schedule for Standard Nominations under Section 4.1(c) of these General Terms and Conditions, for such service, then such Customer's priority for such service for that Day, shall be changed to a ranking below that of all other Customers who have made such timely nominations for service.

10.4 Overrun Service

All requests for overrun Service under Rate Schedules FSS, PNFSS, ISS or PAL shall rank in priority below requests for service that are within the Customers' respective Maximum Storage Quantities. If some, but not all, overrun service requests can be satisfied, the service shall be allocated pro rata to the Maximum Storage Quantities of the Customers requesting the overrun service.

10.5 Communications

In offering service from time to time pursuant to this Section 10, to a Customer under an Agreement, Seller may deem any offer made by telephone or other instant communication method to have been refused if acceptance thereof is not communicated to Seller within six (6) normal working hours after such offer, or as otherwise agreed to by the parties.

10.6 Extension of Service Agreements

Prior to the expiration of the term of a Service Agreement and prior to Honeoye posting the availability of capacity under this Section 10, Honeoye and Customer may mutually agree to an extension of the term of the Service Agreement (the exact length and terms of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner).

10.7 Early Termination of Service Agreements

Honeoye may, in a not unduly discriminatory manner, agree with Customer to terminate its Service Agreement prior to the expiration date if Customer and Honeoye enter into a financial settlement to pay an exit fee that is sufficient, taking into account the remaining term of the Service Agreement and the value and liquidity of the capacity subscribed under the Service Agreement being terminated or reduced, to make the termination or reduction financially beneficial in Honeoye's reasonable judgment.

An agreement to terminate a Service Agreement hereunder shall not constitute a material deviation from the applicable form of service agreement.

11. MISCELLANEOUS

- 11.1 Responsibility for Gas. Upon receipt of Gas to be stored Seller shall be in exclusive control and possession of such Gas, until the Equivalent Quantities of Gas have been delivered for the account of Customer after which Customer shall be in exclusive control and possession of such Gas.
- 11.2 Warranty. Customer or Replacement Customer warrants for itself, its successors, and assigns, that it has, or will have, at the time of delivery of the Gas for injection hereunder good title to such Gas and/or good right to cause the Gas to be delivered to Seller for Storage. Customer or Replacement Customer warrants for itself, its successors, and assigns, that the Gas it warrants hereunder shall be free and clear of all liens, encumbrances or claims, that it will indemnify and save Seller harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any and all persons to said Gas and/or to royalties, taxes, license fees, or charges thereon which are directly applicable to such delivery of Gas and that it will indemnify and save Seller harmless from all taxes or assessments which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.
- 11.3 Waivers. No waiver by either Seller or Customer of any one or more defaults by the other in the performance of any provisions hereunder shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character. Seller shall retain the right to waive, with respect to Customer, any Section of these General Terms and Conditions and Rate Schedules FSS, PNFSS, ISS, and PAL if Seller does so in a non-discriminatory manner.
- 11.4 Assignments. Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Customer or of Seller, as the case may be, shall if eligible be entitled to the rights and shall be subject to the obligations of its predecessor in title under the service agreement(s) between Seller and Customer. Either Seller or Customer may assign any of its rights or obligations under its service agreement(s) to a financially responsible corporation with which it is affiliated at the time of such assignment. Furthermore, Seller may, as security for its indebtedness, assign, mortgage or pledge any of its rights or obligations under its service agreement(s), including its rights to receive payments, to any other entity, and Customer will execute any consent agreement with such entity and provide such certificates and other documents as Seller may reasonably request in connection with any such assignment. Customer also may assign or pledge its service agreements under the provisions of any mortgage, deed of trust, indenture or similar instrument which it has executed or may hereafter execute covering substantially all of its properties. Otherwise, except as provided in Section 7 of Rate Schedule FSS, or except as mandated by Section 284.242 of the Regulations of the Commission, neither party shall assign its service agreement(s) or any of its rights thereunder unless it first

shall have obtained the consent thereto in writing of the other party.

11.5 Creditworthiness. Seller shall not be required to commence service or, subject to the following provisions, to continue to provide service and may terminate a Agreement with any Customer under Rate Schedule FSS and/or Service Agreements under Rate Schedules PNFSS, ISS, or PAL if:

- (1) Customer is or has become insolvent;
- (2) Customer has applied for bankruptcy under Chapter 11 of the Bankruptcy Code, or a similar state bankruptcy statute;
- (3) Customer, when requested by Seller to demonstrate creditworthiness, fails to do so in Seller's reasonable judgment, in light of previous payment experience and changes thereto and the prudent credit analysis of information available; provided, however, that any such Customer that is receiving service shall continue to receive service for a period of fifteen (15) Days after written notice by Seller of any such circumstance, and shall continue thereafter to receive service if, within such fifteen (15) Day notice period, such Customer:
 - (i) deposits with Seller and maintains, on account, an amount which would be due for three (3) Months service at the full contract quantities set forth in the Service Agreement; or
 - (ii) furnishes good and sufficient security, which may include an acceptable standby letter of credit, or monthly prepayment agreement or other security as reasonably determined by Seller, of a continuing nature and in an amount equal to such amounts which would be due for service. If such payment on account or payment security is not received within such fifteen (15) Day notice period, Seller may, without waiving any rights or remedies it may have, suspend further service for a period of ten (10) Days. If such payment on account or a payment security is not received within such ten (10) Day suspension period, then Seller shall no longer be obligated to continue to provide service to such Customer.

Seller shall not be required to commence service, or subject to the following provisions, to continue to provide service and may terminate a Service Agreement with any Customer under Rate Schedule FSS having a term of more than one year if Customer, or its guarantor, fails to maintain a long-term debt rating issued by either Moody's Investors Service, or Standard and Poor's Corporation, or Customer's, or its guarantor's, long-term debt rating issued by Moody's Investors Service or Standard and Poor's Corporation falls below a rating of at least Baa3 according to Moody's Investors Service or BBB- according to Standard & Poor's Corporation; provided, however, that any such Customer that is receiving service

shall continue to receive service for a period of thirty (30) days during which Customer shall have the ability to:

- (1) attain minimum long-term debt ratings as described above; or
- (2) secure a guarantee by a person with a minimum long-term debt rating as described above, provided further, if Customer should fail to meet the requirements set forth within the thirty (30) day period, Seller shall have the right to market the capacity underlying the Service Agreement(s) in question to other customers meeting the requirements as set forth herein.

- 11.6 Interpretation of Laws. Any Agreement shall be interpreted, performed and enforced in accordance with the laws of the State of New York.
- 11.7 Regulations. Any Agreement, and all terms and provisions herein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- 11.8 No Third-Party Beneficiary. It is expressly agreed that there is no Third-Party Beneficiary to any Agreement, and that the provisions of any Agreement and these General Terms and Conditions do not impart enforceable rights in anyone who is not a party or successor or assignee of any party to an Agreement herein.
- 11.9 Liability. Except as otherwise provided elsewhere in this tariff, neither Seller nor Customer shall in any event be liable to the other for any special, punitive, incidental, consequential (including loss of profits), or indirect damages, whether arising in contract, or tort; provided, however, that the foregoing shall not limit Seller's liability, if any, to Buyer, nor Buyer's liability, if any, to Seller, arising out of gross negligence, willful misconduct, or bad faith actions; and provided further that nothing in this paragraph shall limit Seller's liability, if any, to Buyer, nor Buyer's liability, if any, to Seller, for direct damages.
- 11.10 Counterparts. Any Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
- 11.11 Heading. The headings contained in any Agreement are for reference purposes only and shall not affect the meaning or interpretation of any Agreement.
- 11.12 Seller has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 C.F.R. Section 284.12 (a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

<u>NAESB Standard</u>	<u>Tariff record</u>
1.3.2(i-vi)	12-GT&C Sec. 4 Nominations, Scheduling & Allocation
5.3.2	6-Rate Schedule FSS
5.3.44	6-Rate Schedule FSS

Standards Incorporated by Reference:

Additional Standards:

General:

Definitions:

0.2.5

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards:

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

Operating Capacity and Unsubscribed

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Data Sets:

0.4.2; 0.4.3

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Location Data Download:

Standards:

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

Data Set:

0.4.4

Storage Information

Data Sets:
0.4.1

Nominations Related Standards:

Definitions:
1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13,
1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

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

Data Sets:
1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards:

Principles (Optional):
2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.5, 2.1.6

Definitions:
2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:
2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13,
2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25,
2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43,
2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55,
2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

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

Invoicing Related Standards:

Definition:
3.2.1

Standards:
3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15,
3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Data Sets:
3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

Capacity Release Standards:

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

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

Data Sets:

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

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27, 10.3.28, 10.3.29

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

NAESB Standard

Waiver or Extension of Time

None

None

13. ELECTRONIC BULLETIN BOARD

Seller has established an EBB that will be available through subscription, to any existing or potential Customer on Seller's system. The EBB shall contain information relevant to the availability of capacity on Seller's system. The EBB will be provided via Internet at "www.honeoyestorage.com". Access is available to any party upon execution of an EBB Subscription Form; copies of the EBB Subscription Form are available on request by telephoning (585) 229-5161. Seller shall notify Customer of any change to its EBB procedures. Seller may also charge a fee to users of the EBB to recover variable costs associated with the EBB.

Seller shall maintain daily backups of all storage transactional files and archive them for a period of three (3) years pursuant to Commission regulations, and shall allow any customer access to such historical information, for a reasonable fee, within a reasonable period of any such request.

15. TITLE TRANSFERS OF GAS IN STORAGE

15.1 A Customer may transfer Working Storage Gas to any other Customer under a Rate Schedule either firm or interruptible, if:

- (a) Both purchaser and seller of the Working Storage Gas provides Seller with verification of the transfer in writing; and
- (b) The transfer does not cause either Customer to exceed its Maximum Storage Quantity, as specified in the respective Customer's Service Agreement, and
- (c) The transfer does not impair Seller's current or future operations or cause Seller to curtail any current or future service to firm Customers or have an adverse financial impact on Seller.

15.2 Seller will recognize the transfer for purposes of computing available Working Storage Gas and applicable Injection and Withdrawal Quantities on a prospective basis within twenty-four (24) hours after receiving the written verification required by Section 15.1(a).

17. System Inventory Management

In the event that Seller is required to buy or sell natural gas in order to manage its system, Seller may post its need to buy or sell gas on its informational postings website and EBB. Included in such posting shall be:

- (a) the quantity of gas to be sold or purchased;
- (b) any minimum quantity for bidding;
- (c) the date and time when all bids shall be due;
- (d) the date(s) when such gas shall be sold or purchased;
- (e) any minimum or maximum daily quantity to be sold or purchased;
- (f) the point where the gas will be sold or purchased; and
- (g) the criteria to be used by Seller in evaluating and selecting bids.

HONEOYE STORAGE CORPORATION

SERVICE REQUEST FORM

Send to: Honeoye Storage Corporation
4511 Egypt Road
Canandaigua, NY 14424
Date Received:
Attention: Manager of Marketing and Compliance
Fax No.: 585-229-2015
Verification: 585-229-5161

NOTE: A check, if required by Section 2.1 of the General Terms and Conditions, must accompany each Storage Service Request to be valid.

INFORMATION REQUIRED FOR VALID STORAGE REQUEST

NOTE: ANY CHANGES IN THE FACTS SET FORTH BELOW, WHETHER BEFORE OR AFTER SERVICE BEGINS, MUST BE PROMPTLY COMMUNICATED TO SELLER IN WRITING.

1. Requestor: (Do not complete if same as Customer, See No. 3 below)
Requestor's Name: _____

2. Is Requestor affiliated with Seller? YES _____ NO _____

If yes, type of affiliation and the percentage of ownership between Seller and Requestor

3. Customer's Name and Address: (Note: The "Customer" is the party which proposes to execute the Storage Agreement with Seller).

Attention: _____ Telephone: _____
Fax No.: _____ Email address: _____

4. Is Customer affiliated with Seller? YES _____ NO _____
If yes, type of affiliation and the percentage of ownership between Seller and Customer

5. Customer is a(n): (Check One)
_____ Local Distribution Company _____ Producer
_____ Intrastate Pipeline Company _____ End-User
_____ Interstate Pipeline Company _____ Marketer/Broker
_____ Other (Describe) _____
6. Customer is Acting: (Check One)
_____ for Itself
_____ as Agent for _____
7. This request is for: (Check One)
_____ Firm Storage Service under Rate Schedule FSS
Maximum Daily Injection Quantity _____/Dth/d
Maximum Daily Withdrawal Quantity _____/Dth/d
_____ Priority Non-Firm Storage Service under Rate Schedule PNFSS
Maximum Daily Injection Quantity _____/Dth/d
Maximum Daily Withdrawal Quantity _____/Dth/d
Storage Overrun Quantity _____/Dth
_____ Interruptible Storage Service under Rate Schedule ISS
Maximum Daily Injection Quantity _____Dth/d
Maximum Daily Withdrawal Quantity _____Dth/d
Storage Overrun Quantity _____Dth
_____ Interruptible Parking and Lending Service under Rate Schedule PAL
Maximum Park Quantity _____/Dth
Maximum Loan Quantity _____/Dth
Maximum Daily Injection Quantity _____/Dth/d
Maximum Daily Withdrawal Quantity _____/Dth/d
PAL Overrun Quantity _____/Dth
8. Requested Maximum Storage Quantity _____ Dth
9. Point of Injection _____
10. Point of Withdrawal _____
11. Term of Service:
Date service is requested to commence: _____
Date service is requested to terminate: _____

(Unless otherwise agreed to by Seller, Agreements for FSS shall commence on April 1 and terminate on March 31 of any following year)

12. Rate Information:

Customer will agree to pay for service requested as follows:

FIRM STORAGE SERVICE (FSS)*

Deliverability Reservation Rate - Monthly	\$ _____ /Dth/mo
Capacity Reservation Rate- Monthly	\$ _____ /Dth/mo
Injection Rate	\$ _____ /Dth
Withdrawal Rate	\$ _____ /Dth
Late Withdrawal Rate	\$ <u>1</u> /Dth/d
Overrun Injection Rate	\$ _____ /Dth
Overrun Withdrawal Rate	\$ _____ /Dth

PRIORITY NON-FIRM STORAGE SERVICE (PNFSS)*

Priority Non-Firm Storage

Service Quantity Rate	\$ _____ /Dth/mo
Injection Rate	\$ _____ /Dth
Withdrawal Rate	\$ _____ /Dth
Late Withdrawal Rate	\$ <u>1</u> /Dth/d
Overrun Storage Commodity Rate	\$ _____ /Dth/d
Overrun Injection Rate	\$ _____ /Dth/d
Overrun Withdrawal Rate	\$ _____ /Dth/d

INTERRUPTIBLE STORAGE SERVICE (ISS)*

Injection Rate	\$ _____ /Dth
Withdrawal Rate	\$ _____ /Dth
Inventory Charge	\$ _____ /Dth/d
Late Withdrawal Rate	\$ <u>1</u> /Dth/d
Overrun Storage Commodity Rate	\$ _____ /Dth/d

INTERRUPTIBLE PARKING AND LENDING SERVICE (PAL)*

Interruptible PAL Charge	\$ _____ /Dth/d
Interruptible PAL Injection Charge	\$ _____ /Dth
Interruptible PAL Withdrawal Charge	\$ _____ /Dth
Interruptible PAL Overrun Charge	\$ _____ /Dth
Interruptible PAL Late Withdrawal Rate	\$ <u>1</u> /Dth/d

*All quantities of natural gas are measured in dekatherms (Dth). See individual rate schedules for applicable fuel charges or other charges.

13. Certified Statement:

By submitting this request, Customer certifies that customer has or will have by the time of execution of an Agreement with Seller, title to, or the legal right to cause to be delivered to Seller, for Storage, the gas which is to be stored and facilities or contractual rights which will cause such Gas to be delivered to and received from Seller. In the event Customer purchases Storage Overrun Quantity, Customer shall certify that Customer shall have such title to and rights to deliver gas to Seller upon the termination of the Storage Overrun Service in an amount equal to Storage Overrun Service.

14. Credit Evaluation: as required by Section 2.2(j) of the General Terms and Conditions.

THIS STORAGE SERVICE REQUEST IS HEREBY SUBMITTED

This ____ day of _____, ____

By _____

Telephone Number () _____

Fax Number () _____

e-mail address _____

FORM OF FSS SERVICE AGREEMENT
For Use Under Seller's Rate Schedule FSS

THIS AGREEMENT entered into as of the ____ day of _____, _____, by and between Honeoye Storage Corporation, a New York corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer."

WITNESSETH

WHEREAS, Customer has requested Seller to store Gas on its behalf; and

WHEREAS, Seller has sufficient capacity available to provide the Storage Service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I STORAGE SERVICE

1. Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Subject to the terms and provisions of this Agreement, Customer may on any Day cause Gas to be delivered to Seller up to the Maximum Daily Injection Quantity plus Seller's Injection Use for Storage of up to the Maximum Storage Quantity, and at Customer's request on any Day, Seller agrees to Tender Equivalent Quantities of Gas to or for the account of Customer, on a firm basis, up to the Maximum Daily Withdrawal Quantity, reduced by Seller's Withdrawal Use. The Maximum Daily Withdrawal Quantity, Maximum Storage Quantity and Maximum Daily Injection Quantity as set forth in Exhibit A to this Agreement.
3. Seller, if requested by Customer, may inject or withdraw from storage daily quantities in excess of the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity specified in Exhibit A, if it can do so without adverse effect on Seller's operations or its ability to meet its higher priority obligations as specified in paragraph 10 of the General Terms and Conditions.
4. Seller shall use reasonable efforts, if requested by Customer, to permit customer to inject or withdraw, quantities of Gas pursuant to Paragraph 3 above up to the Customer's Maximum Storage Quantity reduced by Seller's Withdrawal Use.

ARTICLE II

POINT OF INJECTION/WITHDRAWAL

1. Customer shall deliver or cause to be delivered Gas hereunder at the Point of

Injection/Withdrawal.

2. Seller shall Tender to or for the account of Customer, Equivalent Quantities of Gas stored hereunder, at the Point of Injection/Withdrawal.

ARTICLE III TERM OF AGREEMENT

1. This Agreement shall be effective as of the date first above written and shall remain in effect for a primary term commencing _____ and ending _____.

ARTICLE IV

RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Seller's Rate Schedule FSS and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as filed with the Commission. Such Rate Schedule and General Terms and Conditions are incorporated by reference and made a part hereof. Sections IV & V of Exhibit A hereto sets forth the applicable information as follows, which shall be utilized for transactions hereunder:

(a) Rates and Charges

(b) Additional charges which are applicable.

Exhibit A to this Agreement shall specify the Rates and Charges and Additional charges which are applicable. When the level of any Additional charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an amendment to Exhibit A to reflect such change(s) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rates, terms and conditions set forth herein, in Rate Schedule FSS or in the General Terms and Conditions of Seller's FERC Gas Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.

3. Further Agreement:

(Write None or specify the agreement).

ARTICLE V

NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill

provided for in this Agreement or any notice which a party may desire to give the other shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: Honeoye Storage Corporation
4511 Egypt Road
Canandaigua, NY 14424
Attention: Manager of Marketing and Compliance

Customer: _____

ARTICLE VII

INCORPORATION BY REFERENCE

The provisions of Rate Schedule FSS and the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as may be modified or amended from time to time, are specifically incorporated herein by reference and made a part hereof.

ARTICLE VII

MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective _____:
2. Replacement Customer.

[If Customer is a Replacement Customer, state identity of Releasing Customer and Contract Number under which capacity is released. The offer of release issued by the Releasing Customer is incorporated herein by reference.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers or Representatives thereunto duly authorized.

HONEOYE STORAGE CORPORATION

By: _____

Its: _____

(Customer)

By: _____

Its: _____

EXHIBIT "A"

to

Agreement between

Honeoye Storage Corporation (Seller)

and

_____ (Customer)

Dated _____

I. MAXIMUM DAILY INJECTION QUANTITY (Dth)

II. MAXIMUM DAILY WITHDRAWAL QUANTITY (Dth)

III. MAXIMUM STORAGE QUANTITY (Dth)

IV. RATES AND CHARGES (monthly)

Deliverability Reservation Rate	\$ _____ /Dth/mo
Capacity Reservation Rate	\$ _____ /Dth/mo
Injection Rate	\$ _____ /Dth
Overrun Injection Rate	\$ _____ /Dth
Withdrawal Rate	\$ _____ /Dth
Late Withdrawal Rate	\$ <u>1</u> /Dth
Overrun Withdrawal Rate	\$ _____ /Dth

V. ADDITIONAL CHARGES - pursuant to Section 5 of Rate Schedule FSS

VI. INJECTION AND WITHDRAWAL USE CHARGES

VII. Fuel Charge	1% gas injected/mo
	1% gas withdrawn/mo

FORM OF PNFSS SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule PNFSS)

THIS AGREEMENT entered into as of the ____ day of _____ by and between Honeoye Storage Corporation, a New York corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer".

WITNESSETH

WHEREAS, Customer has requested Seller to store Gas on its behalf; and

WHEREAS, Seller may from time to time have sufficient storage capacity available to provide Priority Non-Firm Storage Service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I
STORAGE SERVICE

1. Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Subject to the terms and provisions of this Agreement, Customer may deliver or cause Gas to be delivered to Seller on an interruptible basis, up to the Maximum Daily Injection Quantity, plus Seller's Injection Use, for Storage up to the Maximum Storage Quantity or Storage Overrun Quantity, and Seller agrees to receive, store and redeliver at Customer's request Equivalent Quantities of Gas to or for the account of Customer, on an interruptible basis, up to the Maximum Daily Withdrawal Quantity, reduced by Seller's Withdrawal Use, all as set forth on Exhibit A attached hereto.
3. Seller, if requested by Customer, may inject or withdraw from storage daily quantities in excess of the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity specified in Exhibit A above if it can do so without adverse effect on Seller's operations or its ability to meet its higher priority obligations as specified in Paragraph 10 of the General Terms and Conditions.

ARTICLE II
POINT OF INJECTION/WITHDRAWAL

1. Customer shall deliver or cause to be delivered Gas hereunder at the Point of Injection/Withdrawal.
2. Seller shall Tender to or for the account of Customer, Equivalent Quantities of Gas stored hereunder, at the Point of Injection/Withdrawal.

ARTICLE III
TERM OF AGREEMENT

1. This Agreement shall be effective for an initial period as of the date first written above until _____, and _____ to _____ thereafter, until terminated by Seller or Customer upon _____ prior written notice to the other specifying a termination date at the end of such period or any successive period thereafter. The period of service hereunder shall be from _____ until the termination of this Agreement.

ARTICLE IV
RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Seller's Rate Schedule PNFSS and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as filed with the Commission. Such Rate Schedule and General Terms and Conditions are incorporated by reference and made a part hereof. Sections IV & V of Exhibit A hereto sets forth the applicable information as follows, which shall be utilized for transactions hereunder:
 - a. Rates and Charges
 - b. Additional charges which are applicable.

Exhibit A to the Service Agreement shall specify the Rates and Charges and additional Charges which are applicable. When the level of any additional Charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an amendment to Exhibit A to reflect such changes) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rates, terms and conditions set forth herein in Rate Schedule PNFSS or in the General Terms and Conditions of Seller's FERC Gas Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.
3. Further Agreement:

(Write None or specify the agreement).

ARTICLE V
NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement or any notice which a party may desire to give the other shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: Honeoye Storage Corporation
 4511 Egypt Road
 Canandaigua, NY 14424
 Attention: Manager of Marketing and Compliance

Customer: _____

ARTICLE VI
INCORPORATION BY REFERENCE

1. The provisions of Rate Schedule PNFSS and the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as may be modified from time to time, are specifically incorporated herein by reference and made a part hereof.

ARTICLE VII
MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective _____ :

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by

their respective officers or Representatives thereunto duly authorized.

HONEOYE STORAGE CORPORATION

By: _____

Its _____

(Customer)

By: _____

Its _____

EXHIBIT "A"

to

Agreement between

Honeoye Storage Corporation (Seller)

and

_____ (Customer)

Dated _____

I. MAXIMUM DAILY INJECTION QUANTITY (Dth)

II. MAXIMUM DAILY WITHDRAWAL QUANTITY (Dth)

III. MAXIMUM STORAGE QUANTITY (Dth)

IV. STORAGE OVERRUN QUANTITY (Dth)

V. RATES AND CHARGES (Monthly)

Priority Non-Firm Storage

Service Quantity Rate _____ \$/Dth/mo

Injection Rate _____ \$/Dth

Withdrawal Rate _____ \$/Dth

Late Withdrawal Rate 1 \$/Dth

Overrun Storage Commodity Rate _____ \$/Dth/

Overrun Injection Rate _____ \$/Dth/d

Overrun Withdrawal Rate _____ \$/Dth/d

VI. ADDITIONAL CHARGES - Pursuant to Section 5 of Rate Schedule PNFSS

VII. INJECTION AND WITHDRAWAL USE CHARGES

VIII. Fuel Charge 1% gas injected/mo
1% gas withdrawn/mo

FORM OF ISS SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule ISS)

THIS AGREEMENT entered into as of the ____ day of _____ by and between Honeoye Storage Corporation, a New York corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer".

WITNESSETH

WHEREAS, Customer has requested Seller to store Gas on its behalf; and

WHEREAS, Seller may from time to time have sufficient storage capacity available to provide Interruptible Storage Service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I
STORAGE SERVICE

- I. Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Subject to the terms and provisions of this Agreement, Customer may deliver or cause Gas to be delivered to Seller on an interruptible basis, up to the Maximum Daily Injection Quantity, plus Seller's Injection Use, for Storage up to the Maximum Storage Quantity or Storage Overrun Quantity, and Seller agrees to receive, store and redeliver at Customer's request Equivalent Quantities of Gas to or for the account of Customer, on an interruptible basis, up to the Maximum Daily Withdrawal Quantity, reduced by Seller's Withdrawal Use, all as set forth on Exhibit A attached hereto.
3. Seller, if requested by Customer, may inject or withdraw from storage daily quantities in excess of the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity specified in Exhibit A above if it can do so without adverse effect on Seller's operations or its ability to meet its higher priority obligations as specified in Paragraph 10 of the General Terms and Conditions.

ARTICLE II
POINT OF INJECTION/WITHDRAWAL

1. Customer shall deliver or cause to be delivered Gas hereunder at the Point of Injection/Withdrawal.
2. Seller shall Tender to or for the account of Customer, Equivalent Quantities of Gas stored hereunder, at the Point of Injection/Withdrawal.

ARTICLE III
TERM OF AGREEMENT

1. This Agreement shall be effective as of _____ and shall remain in force and effect until _____ and shall continue thereafter, until terminated by Seller or Customer upon at least thirty (30) days written notice to the other specifying the termination date.

ARTICLE IV
RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Seller's Rate Schedule ISS and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as filed with the Commission. Such Rate Schedule and General Terms and Conditions are incorporated by reference and made a part hereof. Sections IV & V of Exhibit A hereto sets forth the applicable information as follows, which shall be utilized for transactions hereunder:
 - a. Rates and Charges
 - b. Additional charges which are applicable.

Exhibit A to the Service Agreement shall specify the Rates and Charges and additional Charges which are applicable. When the level of any additional Charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an

amendment to Exhibit A to reflect such changes) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rates, terms and conditions set forth herein in Rate Schedule ISS or in the General Terms and Conditions of Seller's FERC Gas Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.
3. Further Agreement:

(Write None or specify the agreement).

ARTICLE V
NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement or any notice which a party may desire to give the other

shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: Honeoye Storage Corporation
4511 Egypt Road
Canandaigua, NY 14424
Attention: Manager of Marketing and Compliance

Customer: _____

ARTICLE VI INCORPORATION BY REFERENCE

The provisions of Rate Schedule ISS and the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as may be modified from time to time, are specifically incorporated herein by reference and made a part hereof.

ARTICLE VII MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective _____ :

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers or Representatives thereunto duly authorized.

HONEOYE STORAGE CORPORATION

By: _____

Its _____

(Customer)

By: _____

Its _____

EXHIBIT "A"

to

Agreement between

Honeoye Storage Corporation (Seller)

and

_____ (Customer)

Dated _____

- I. MAXIMUM DAILY INJECTION QUANTITY (Dth)
- II. MAXIMUM DAILY WITHDRAWAL QUANTITY (Dth)
- III. MAXIMUM STORAGE QUANTITY (Dth)
- IV. STORAGE OVERRUN QUANTITY (Dth)
- V. RATES AND CHARGES (Monthly)

Injection Rate	_____	\$/Dth
Withdrawal Rate	_____	\$/Dth
Inventory Charge	_____	\$/Dth/d
Late Withdrawal Charge	_____ 1	\$/Dth/d
Overrun Storage Commodity Rate	_____	\$/Dth/d

- VI. ADDITIONAL CHARGES - Pursuant to Section 5 of Rate Schedule ISS
- VII. INJECTION AND WITHDRAWAL USE CHARGES

- | | |
|-------------------|---------------------|
| VIII. Fuel Charge | 1% gas injected/mo |
| | 1% gas withdrawn/mo |

FORM OF PAL SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule PAL)

THIS AGREEMENT entered into as of the ____ day of _____ by and between Honeoye Storage Corporation, a New York corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer".

WITNESSETH

WHEREAS, Customer has requested Seller to provide certain interruptible parking and lending service on its behalf; and

WHEREAS, Seller may from time to time have sufficient existing capacity and operational flexibility available to provide such interruptible service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I
PAL SERVICE

1. Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Following the commencement of service hereunder, in accordance with the terms of Rate Schedule PAL and of this Agreement, Seller shall provide Interruptible parking and lending service for Customer and shall park and loan the quantities of Gas up to the Customer's Maximum Park Quantity, and/or Maximum Loan Quantity.

ARTICLE II

TERM OF AGREEMENT

1. This Agreement shall be effective as of _____ and shall remain in force and effect until _____, and shall continue thereafter, until terminated by Seller or Customer upon at least thirty (30) days written notice to the other specifying the termination date.

ARTICLE III
RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Exhibit A hereto, Seller's Rate Schedule PAL and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as filed with the Commission. Such Rate Schedule and General Terms and Conditions

are incorporated by reference and made a part hereof.

Exhibit A hereto specifies the Rates and Charges and Additional Charges which are applicable. When the level of any Additional Charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an amendment to Exhibit A (to reflect such changes) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rates, terms and conditions set forth herein in Rate Schedule PAL or in the General Terms and Conditions of Seller's FERC Gas Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.

3. Further Agreement:

(Write None or specify the agreement).

ARTICLE IV NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement or any notice which a party may desire to give the other shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: Honeoye Storage Corporation
4511 Egypt Road
Canandaigua, NY 14424
Attention: Manager of Marketing and Compliance

Customer: _____

ARTICLE V INCORPORATION BY REFERENCE

The provisions of Rate Schedule PAL and the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as may be modified from time to time, are specifically incorporated herein by reference and made a part hereof.

ARTICLE VI
MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective_____:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers or Representatives thereunto duly authorized.

HONEOYE STORAGE CORPORATION

By:_____

Its_____

(Customer)

By:_____

Its_____

EXHIBIT "A"

to

Agreement between

Honeoye Storage Corporation (Seller)

and

_____ (Customer)

Dated _____

- I. MAXIMUM DAILY INJECTION QUANTITY (Dth) _____
- II. MAXIMUM PARK QUANTITY (Dth) _____
- III. MAXIMUM DAILY WITHDRAWAL QUANTITY (Dth) _____
- IV. MAXIMUM LOAN QUANTITY (Dth) _____

Loan Time _____

V. RATES (Monthly)

Interruptible PAL Charge (Loan)	_____ \$/Dth/d
Interruptible PAL Charge (Park)	_____ \$/Dth/d
Interruptible PAL Injection Charge	_____ \$/Dth
Interruptible PAL Withdrawal Charge	_____ \$/Dth
Interruptible PAL Overrun Charge	_____ \$/Dth
Interruptible PAL Late Withdrawal Charge	<u>1</u> \$/Dth

VI. ADDITIONAL CHARGES - Pursuant to Section 5 of Rate Schedule PAL

PAL Term:

Begin Date: _____

End Date: _____

REDLINE TARIFF

FERC GAS TARIFF

Volume No. 1A

of

HONEOYE STORAGE CORPORATION

Filed With The

Federal Energy Regulatory Commission

Communication Concerning This Tariff
Should Be Addressed To:

~~Peter E. Carnavos~~Stuart Nachmias

President

Honeoye Storage Corporation

4511 Egypt Road

Canandaigua, NY 14424

~~(212) 466-8248~~(585) 229- 5161 (TELEPHONE)

-(585) 229-2015 (FAX)

e-mail: ~~ecarnavos~~snachmiass@conedtransmission.com

PRELIMINARY STATEMENT

Honeoye Storage Corporation (“HSC” or “Seller”), a New York corporation, owns and operates a natural gas storage facility and related compression equipment and pipelines, collectively known as the Honeoye Storage Project, located in Ontario County, New York. The Honeoye Storage Project receives, injects, stores, withdraws and delivers natural gas transported in interstate commerce subject to jurisdiction of the Federal Energy Regulatory Commission. The facilities are connected to Tennessee Gas Pipeline Company, L.L.C. (“Tennessee”).

This Volume No. 1A of the FERC Gas Tariff of HSC contains the Rates and Charges, Rate Schedules, Forms of Service Agreements and the General Terms and Conditions applicable to open-access storage service and other services performed by HSC.

CURRENTLY EFFECTIVE RATES

FIRM STORAGE SERVICE (FSS)*

	RATE	UNITS
1. Reservation Rate		
Deliverability Reservation Rate	Market Based/ Negotiable	
Capacity Reservation Rate	Market Based/ Negotiable	
2. Injection/Withdrawal Rates		
Injection Rate	Market Based/ Negotiable	
Overrun Injection Rate	Market Based/ Negotiable	
<u>Withdrawal Rate</u>	<u>Market Based/ Negotiable</u>	
Late Withdrawal Rate	\$1/Dth/Day	
Overrun Withdrawal Rate	Market Based/ Negotiable	

*All quantities of natural gas are measured in dekatherms (Dth)

CURRENTLY EFFECTIVE RATES (Cont.)

PRIORITY NON-FIRM STORAGE SERVICE (PNFSS)*

	RATE
PNFSS Quantity Rate	Market Based/Negotiable
Injection Rate	Market Based/Negotiable
Withdrawal Rate	Market Based/Negotiable
Late Withdrawal Rate	\$1/Dth/Day
Overrun Storage Commodity Rate	Market Based/Negotiable
<u>Overrun Injection Rate</u>	<u>Market Based/Negotiable</u>
<u>Overrun Withdrawal Rate</u>	<u>Market Based/Negotiable</u>

INTERRUPTIBLE STORAGE SERVICE (ISS)*

	RATE
Injection Rate	Market Based/Negotiable
Withdrawal Rate	Market Based/Negotiable
Inventory Rate	Market Based/Negotiable
Late Withdrawal Rate	\$1/Dth/Day
Overrun Storage Commodity Rate	Market Based/Negotiable

INTERRUPTIBLE PARKING AND LENDING SERVICE (PAL)*

	RATE
Interruptible PAL Charge	Market Based/Negotiable
Interruptible PAL Injection Charge	Market Based/Negotiable
Interruptible PAL Withdrawal Charge	Market Based/Negotiable
Interruptible PAL Overrun Charge	Market Based/Negotiable
Interruptible PAL Late Withdrawal Charge	\$1/Dth/Day

FUEL USE- FSS, PNFSS, AND ISS

RATE	UNITS
Fixed	Dth

Seller will bill Customer each month for gas lost or unaccounted for in Seller's operations at the rate of one percent (1.0%) of the gas injected on Customer's behalf in the preceding month and at the rate of one percent (1.0%) of the gas withdrawn on Customer's behalf in the preceding

month.

| *All quantities of natural gas are measured in dekatherms (Dth).

RATE SCHEDULE FSS
FIRM STORAGE SERVICE

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of natural gas storage service from Honeoye Storage Corporation (hereinafter referred to a "Seller"), when:

- (a) Seller has determined that it has sufficient available and uncommitted storage capacity or capacity released in accordance with Section 7 of this Rate Schedule FSS to perform service requested by Customer (Seller is not required to provide any requested services for which it does not have such available capacity); and
- (b) Customer and Seller have executed a Service Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Storage Service that is rendered by Seller for Customer pursuant to an executed Agreement under this Rate Schedule.

Storage Service rendered by Seller under this Rate Schedule shall consist of:

- (a) The receipt of Gas on behalf of Customer at the Point of Injection/Withdrawal at daily quantities up to the Maximum Daily Injection Quantity plus Seller's Injection Use;
- (b) The Storage of Gas in quantities not to exceed the Maximum Storage Quantity, except as provided for in Section 6 of this Rate Schedule; and
- (c) The Tender of Gas for redelivery by Seller to or for the account of Customer at the Point of Injection/Withdrawal at a quantity not to exceed Customer's Working Storage Gas at daily quantities up to the Maximum Daily Withdrawal Quantity reduced by Seller's Withdrawal Use.
- (d) The receipt of Gas on behalf of Customer and redelivery of Gas for the account of Customer in excess of its applicable Maximum Daily Injection Quantity and Maximum Daily Withdrawal Quantity on a reasonable efforts basis by Seller when required to allow Customer full utilization of its Maximum Storage Quantity.
- (e) Firm Storage Service under this Rate Schedule shall be firm up to the Maximum Storage Quantity and firm up to the Maximum Daily Withdrawal Quantity and Maximum Daily Injection Quantity on any day. The Maximum Storage Quantity, the Maximum Daily Injection Quantity and the Maximum Daily

Withdrawal Quantity shall be specified in the executed Agreement. Notwithstanding the foregoing, Seller will use reasonable efforts to permit Customer to inject or withdraw Gas pursuant to Section 6 of this Rate Schedule FSS.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Volume No. 1A FERC Gas Tariff are applicable to this Rate Schedule, and are specifically incorporated herein by reference.

4. RATES AND CHARGES

The amounts which shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the charges due under the subsections of this Section 4 and charges under Section 5 that are applicable to Customer for such Month, computed by use of the applicable rates set forth in this Rate Schedule FSS and in the Customer's Agreement which are effective during such Month or portions thereof. Customer's Agreement will reflect the rates agreed to by Seller and Customer and may or may not include each of the billing components set forth below.

Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent. If, at initiation of service, service is provided for only a portion of a Month, any applicable reservation fee shall be prorated for the number of days that service is provided.

4.1 Unless otherwise agreed to by Seller and Customer, the following Storage Charges will apply:

(a) Reservation Charges:

- (1) The FSS Deliverability Reservation Rate shall be paid each Month of the term of the service agreement for each Dekatherm of Customer's Maximum Daily Withdrawal Quantity;
- (2) The FSS Capacity Reservation Rate shall be paid each Month of the term of the service agreement for each Dekatherm of Customer's Maximum Storage Quantity.
- (3) If, due to Seller's scheduling of necessary maintenance of pipeline facilities, events of force majeure, necessary maintenance of compression facilities and/or facility outages for tie-in of new facilities, Seller fails to Tender for redelivery or accept for storage injection at the Point of Injection/Withdrawal for the account of Customer during any Day the quantity of Gas that Customer has so nominated for such day up to a Customer's Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity, as

applicable, then subject to the provisions of the General Terms and Conditions, Customer's Monthly bill shall be reduced by an amount equal to the product of

(a):

$$((A \times B)/C + D)/E$$

Where:

A = Deliverability Reservation Rate

B = Maximum Daily Withdrawal Quantity

C = Maximum Storage Quantity

D = Capacity Reservation Rate

E = The Number of Days in the Month

and

(b): the difference between such quantity of Gas nominated for injection or withdrawal up to the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity, as applicable, and the applicable quantity actually injected or withdrawn by Seller for the account of Customer during such Day. Such reductions of Seller's Reservation Charges shall not be applicable if Seller and Customer agree upon and place into effect the makeup of such injection deficiency or withdrawal deficiency under mutually acceptable terms.

(b) Commodity Charge:

The Injection/Withdrawal Rate shall be paid each Month for each Dekatherm of Gas which is delivered by Seller to or for the account of Customer and each Dekatherm of Gas Customer delivers or causes to be delivered at the Point of Injection/Withdrawal during the Month. Such charges shall be applicable both on injection and on withdrawal.

4.2 Overrun Service Charge: An Overrun Service Charge shall be paid for each Dekatherm of service provided on behalf of Customer pursuant to Section 6 of this Rate Schedule. As set forth in the Customer's Agreement, the Overrun Service Charge shall consist of the Overrun Injection Rate for each Dekatherm of Gas the Customer delivers or causes to be delivered at the Point of Injection/Withdrawal in excess of the Customer's Maximum Daily Injection Quantity and the Overrun Withdrawal Rate for each Dekatherm of Gas which is delivered to or for the account of the Customer in excess of the Customer's Maximum Daily Withdrawal Quantity.

- 4.3 Seller's Fuel Use Charge: Seller will bill Customer each month for gas lost or unaccounted for in Seller's operations at the rate of (1) one percent (1.0%) of the gas injected on Customer's behalf in the preceding month, and (2) one percent (1.0%) of the gas withdrawn on Customer's behalf in the preceding month.
- 4.4 Regulatory Fees and Charges. Customer shall reimburse Seller for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this Rate Schedule, including, but not limited to, the Commission's Annual Charge Adjustment (ACA).

5. ADDITIONAL CHARGES

- 5.1 Commission and Other Regulatory Fees: Customer shall reimburse Seller for its allocable share of all fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule including, but not limited to, filing, reporting and application fees.
- 5.2 Other Charges: Customer shall pay its allocable share of any other charges applicable to service hereunder authorized by the Commission or any other successor agency having jurisdiction.

6. STORAGE OVERRUN SERVICE

- 6.1 Customer may request Seller to inject quantities greater than Customer's Maximum Daily Injection Quantity. If Seller has injection capacity available, and can do so without adverse affect on Seller's operations or its ability to meet its higher priority obligations as specified in paragraph 10 of the General Terms and Conditions of this tariff, Seller may inject such quantities and Customer shall pay Seller for such injections at the Overrun Injection Charge set forth in Customer's Agreement.
- 6.2 Customer may request Seller to withdraw quantities greater than Customer's Maximum Daily Withdrawal Quantity. If Seller has withdrawal capacity available, and can do so without adverse affect on Seller's operations or its ability to meet its higher priority obligations as specified in paragraph 10 of the General Terms and Conditions of this tariff, Seller may withdraw such quantities and Customer shall pay Seller for such withdrawals at the Overrun Withdrawal Charge set forth in Customer's Agreement.
- 6.3 Customer may not inject gas into storage pursuant to this rate schedule if the quantity of Customer's Gas in storage equals Customer's Maximum Storage Capacity.
- 6.4 Customer may not withdraw gas from storage in excess of the quantity of

Customer's Gas that is actually in storage at any given time.

- 6.5 Seller shall have the right to interrupt all or part of the overrun quantity nominated as the operation of its storage facilities may require pursuant to Section 4 of the General Terms and Conditions of this FERC Gas Tariff in which event Seller shall notify Customer.

7. CAPACITY RELEASE

Any Customer or Replacement Customer under Rate Schedule FSS shall be entitled to release all or a portion of its capacity to Seller for resale. Additionally, Customer may release its capacity on a volumetric basis.

Any Customer or Replacement Customer releasing capacity will be designated a Releasing Customer. Any person purchasing released capacity shall be designated a Replacement Customer. Any Customer that wants to release capacity must notify Seller that it wants to release capacity and the terms and conditions of such release.

7.1. BIDDABLE CAPACITY RELEASES.

- (a) Unless a proposed release is exempt from bidding as set forth in Section 7.2 hereof, Releasing Customer shall communicate its offer to release notice through Seller's EBB. The Releasing Customer shall submit the following information, objectively stated and applicable to all potential Customers on a non-discriminatory basis:
- (1) the pricing provisions of the offer to release; any maximum/minimum rates specified by the Releasing Customer should include all demand charges as a total number or as stated separately. For releases of one year or less, that will take effect on or before one year from such release notice, the maximum and/or minimum rates may exceed the maximum rate the Releasing Customer is contractually obligated to pay, and such rates shall not be subject to refund;
 - (2) the specific quantity to be released expressed in Dth; the basis for the released quantity should be per day for storage injection/withdrawal, and a per-release quantity for storage capacity and total release period quantity (Releasing Customer in establishing terms for capacity release shall not be limited to the service categories set forth in Section 9; Releasing Customer may release quantities up to the Maximum Daily Injection Quantity, Maximum Daily Withdrawal Quantity, and Maximum Storage Quantity set forth in Releasing Customer's Agreement);
 - (3) the duration of release or term including any right to recall;
 - (4) the terms and conditions of any recall rights. Unless another recall notice

deadline is set forth in a prearranged release to an asset manager (as defined in Section 284.8(h) of the Commission's regulations) and such deadline is no earlier than 8 a.m. of the prior weekday, Releasing customers may, to the extent permitted as a condition of the capacity release, recall released capacity in accordance with the following timeline:

(i) Timely Recall Notification

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper not later than 8:00 a.m. on the day that Timely Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that timely Nominations are due (Central Clock Time);

(ii) Early Evening Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

(iii) Evening Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due (Central Clock Time);

(iv) Intraday 1 Recall Notification:

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

affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due (Central Clock Time); and

(v) Intraday 2 Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due (Central Clock Time).

(vi) Intraday 3 Recall Notification:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Seller and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
- (b) The Seller should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due (Central Clock Time).

For recall notification provided to the Seller prior to the recall notification deadline specified above and received between 7:00 a.m. and 5:00 p.m., the Seller should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.

For recall notification provided to the Seller after 5:00 p.m. and prior to 7:00 a.m., Seller shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification. (Central Clock Time)

Such notices will state whether penalties will apply for the gas day for which quantities are reduced due to a capacity recall.

| _____ A. _____ Releasing Customer may only recall such released capacity that Replacement Shipper has not filled. The Releasing Customer shall make such recall by notifying seller in writing of such recall and by submitting a nomination change to Seller, pursuant

to Section 4.1 of the General Terms and Conditions of the FERC Gas tariff. The Releasing Shipper shall provide this capacity recall notification to its affected Replacement Shipper(s) at the same time it provides notification to the Seller. For the recall notification provided to the Seller, the quantity should be expressed in terms of

- a) total released capacity entitlements or
- b) adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity (“EPC”).

In the event of an intra-day capacity recall, the Seller shall determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the EPC. Variations to the use of EPC may be necessary to reflect the nature of the TSP’s tariff, services, and/or operational characteristics.

The amount of capacity allocated to the Replacement Shipper(s) shall equal the original released capacity less the recalled capacity that is adjusted based upon the EPC. Under no circumstances is Seller obligated to deliver in excess of the total daily contract quantity of the release.

- (5) whether the release is on a permanent or temporary basis;
- (6) the length of time the offer to release should be posted for bidding on Seller’s EBB and informational postings website;
- (7) whether there are any reput rights;
- (8) any other conditions or contingencies of the offer to release, including nondiscriminatory provisions necessary to evaluate bids; and the tie breaking criteria, provided, however, that bid evaluations will be limited to highest rate, net revenue and present value;
- (9) the legal name of the Replacement Customer that is designated in any Pre-Arranged Release (“Designated Replacement Customer”) and whether such Replacement Customer is an affiliate of the Releasing Customer;
- (10) any requirements that Replacement Customer take title to any gas in the released storage capacity and/or that Replacement Customer return the capacity to Releasing Customer (at the end of the release or upon exercise of a recall right) with a specified amount of gas in storage, and, if so, the specified amount, and any other conditions related to the commodity portion of the offer; and
- (11) for volumetric releases, any minimum volumetric commitment.

- (b) Seller's creditworthiness standards shall apply to any potential Replacement Customer and Releasing Customer shall not establish its own creditworthiness standards for bidding customer.
- (c) Releasing Customer may withdraw any existing offer to release, if a valid and acceptable bid has not been received. Releasing Customer shall be subject to the provisions of Section 8 of this Rate Schedule prior to the commencement of the Agreement with Replacement Customer. Releasing Customer may withdraw its offer to release any time prior to the close of the bidding period via the EBB or ~~Electronic Delivery Mechanism~~ ("EDM") as approved by the Commission, where unanticipated circumstances justify such withdrawal or when no bid has been received which meets the Releasing Customer's minimum conditions. Releasing Customer shall have the option to accept contingent bids that extend beyond the close of the bidding period. Releasing Customer cannot extend the original bid period or the pre-arranged deal Matching Period without posting a new release. Re-release of Released Capacity shall be allowed on the same terms and basis as the primary release (except for volumetric releases which may not be re-released).
- (d) CAPACITY RELEASE TIMELINE. The "Capacity Release Timeline" set forth below is applicable to all parties of the Capacity Release process; however it is only applicable if: (1) all information provided by parties to the transaction is valid and Replacement Customer has been determined to be creditworthy before the capacity release bid is tendered, (2) for index-based capacity release transactions, the Releasing Customer has provided the Company with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (3) the release contains no special terms or conditions of the release.

For biddable releases (less than 1 year):

- offers should be tendered by 9:00 .M. on a Business Day;
- open season ends no later than 10:00 A.M. on a Business Day (evaluation period begins at 10:00 A.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
- evaluation period ends and award posting if no match required at 11:00 A.M.;
- match or award is communicated by 11:00 A.M.;
- match response by 11:30 A.M.;
- where match required, award posting by 12:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central

Clock Time)

For biddable releases (1 year or more):

- offers should be tendered by 9:00 A.M. four Business Days before award;
- open season ends no later than 10:00 A.M. on the Business Day before timely nominations are due (open season is three Business Days);
- evaluation period begins at 10:00 A.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- evaluation period ends and award posting if no match required at 11:00 A.M.;
- match or award is communicated by 11:00 A.M.;
- match response by 11:30 A.M.;
- where match required, award posting by 12:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

For non-biddable releases:

Timely Cycle

- posting of prearranged deals not subject to bid are due by 12:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time).

Evening Cycle

- posting of prearranged deals not subject to bid are due by 5:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 1 Cycle

- posting of prearranged deals not subject to bid are due by 9:00 A.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 1:30 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central

Clock Time)

Intraday 3 Cycle

- posting of prearranged deals not subject to bid are due by 6:00 P.M.;
- contract issued with one hour of award posting (with a new contract number, when applicable); nomination possible at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

- (e) COMPETITIVE BIDDING PROCEDURE. Bids may be submitted by potential Replacement Customers via the EBB during the posting period. Seller shall post the terms of each complete bid, but will not post the identity of the bidder. Posted bids will be accessible via EDM. Seller will also require all information set forth in Section 2 of the General Terms and Conditions of this FERC Gas tariff. Upon expiration of the offer, Seller shall remove such offer of release from its EBB and informational postings website.

Potential Replacement Customers may withdraw their posted bids at any time during the bidding period via the EBB or EDM. Bids posted by potential Replacement Customers are binding until written or electronic notice of withdrawal is received by Seller. Potential Replacement Customers cannot withdraw bids after the bidding period ends. Such potential Replacement Customers may not post another bid for the same capacity lower than their previous bid.

- (f) Matching Rights. A Pre-Arranged Replacement Customer shall have the right of first refusal for a time period as negotiated by the Releasing Customer and the Pre-Arranged Replacement Customer ("Matching Period). If no Matching Period has been negotiated, the Matching Period will be deemed to be one (1) hour following the time the Pre-Arranged Replacement Customer has been notified of the winning bid. In the event a bid is received that more closely meets the criteria specified by the Releasing Customer, Seller shall provide the Pre-Arranged Replacement Customer an opportunity during the Matching Period to match or exceed the bid that more closely meets the criteria specified by the Releasing Customer. No later than 2:00 p.m. Central Clock Time, the Pre-Arranged Replacement Customer shall receive notification on the EBB of the terms and conditions of the prevailing bid and shall have the Matching Period to respond via the EBB. No later than 3:00 p.m. Central Clock Time, the Replacement Customer shall post on the EBB its match response. Absent a response, the capacity shall be awarded to the prevailing bidder no later than 4:00 p.m. Central Clock Time.
- (g) Released Capacity will be awarded to the Replacement Customer which otherwise satisfies the requirements of this FERC Gas Tariff and also meets all of the conditions of the offer to release capacity. In the case of multiple bid winners, the highest ranking bid will receive the entire maximum amount of capacity bid. The next highest ranking bidder will receive the remainder of the offered capacity

provided that the amount remaining is above the bidder's minimum acceptable quantity. Any remaining capacity will be awarded to the next highest bidder under the same provisions as above. This process will repeat until either all of the offered capacity is awarded or the remaining capacity falls below either the Releasing Customer's minimum quantity or all of the remaining bidder's acceptable quantities. Seller shall not be required to contract with parties submitting bids that do not meet the conditions of the offer to release capacity, however, subject to approval of Releasing Customer, Seller may accept bids offering a price or term less than that set forth in the release. Bids will be evaluated by the criteria provided by the Releasing Customer. If no criteria are provided by the Releasing Customer, bids will be accepted in the order of priority based upon the highest economic value offered by the competing bids as defined in Section 10 of the General Terms and Conditions of this FERC Gas Tariff. The ultimate awarding of the capacity will be posted subsequently on Seller's EBB [and informational postings website](#) by 3:00 p.m. Central Clock Time, unless bidder was a contingent bidder and the contingency did not occur. Seller will tender a numbered Agreement to the winning bidder— within one hour of posting an award and the winning bidder shall enter into an Agreement with Seller pursuant to Section 7.2. Seller is required to meet the Capacity Release Timeline for processing capacity releases only if the Releasing Customer's best bid methodology is either: (1) highest rate, (2) highest net revenue, or (3) greatest net present value. For index-based capacity release transactions, the Releasing Customer should provide the necessary information and instructions to support the chosen methodology. In all cases, Replacement Customers will be subject to all requirements of this Tariff. Storage Service to the Replacement Customer may commence, prior to the posting of the winning bid, if capacity has been awarded and a contract executed.

(h) Recall Reput Rights

- (i) A Releasing Customer cannot in any way modify recall rights as specified by a previous Releasing Customer, but may specify its own recall rights, subject to any recall rights specified by a previous Releasing Customer. A potential Replacement Customer is responsible for obtaining from the Releasing Customer with whom it is negotiating for released capacity any information concerning recall rights specified by a previous Releasing Customer. A Releasing Customer specifying recall conditions shall be the only party that can exercise and administer such recall rights. In the event of any conflict, the instructions and communications of the Releasing Customer specifying the recall conditions shall govern. The party recalling the capacity shall be subject to Seller's nomination procedures in accordance with Section 4 of the General Terms and Conditions of this FERC Gas Tariff. If the release specifies that the Releasing Customer has reput rights and the recall ends prior to the end of the release term at the end of the recall period, capacity shall revert back to the Replacement Customer, if applicable, subject to Seller's nomination procedures. When

capacity is recalled it may not be reup for the same day. The deadline for notifying the Seller of a reup is 8:00 a.m. to allow for timely nominations to flow on the next gas day.

- (ii) Seller shall have no liability to any party in relying on the recall instructions and conditions specified by the Releasing Customer, except to the extent that such party establishes that Seller has incorrectly applied such instructions as a result of the negligent action or willful misconduct of Seller.
- (iii) Partial Day Release Quantity
The daily contractual entitlement that can be released by a Releasing Customer for a partial day release is limited to the lesser of:
 - (i) the quantity contained in the Customer Notice submitted by the Releasing Customer, or
 - (ii) a quantity equal to the difference between the MDWQ or MDIQ, as applicable, for the contract to be released by the Releasing Customer and the amount scheduled for that period of the day prior to the release of the capacity, based upon the elapsed-prorated-scheduled quantity.

This allocated daily contractual entitlement shall be used for purposes of nominations, billing, and if applicable for overrun calculations.

7.2- NON-BIDDABLE CAPACITY RELEASES.

- (a)- Releasing Customer shall have the right to release capacity without posting for bidding pursuant to Section 7.1 hereof if (i) prompt notice of the release is provided to Seller for posting on the EBB and informational postings website prior to the first nomination containing the information set forth in Section 7.1(a) applicable to such release and (ii) such release is for any period of 31 days or less, is a release of capacity for more than one year at the maximum rate the Releasing Customer is obligated to pay, or is a release to an “asset manager” or to a “marketer participating in a state-regulated retail access program” as defined in the Commission’s regulations as set forth in Section 284.8(h);
- (b)- The notice provided to Seller for posting on its EBB and informational postings website must identify such asset manager or marketer. If the release is to an asset manager, the notice to Seller also must include the volumetric level of the asset manager’s delivery or purchase obligation, and the time period during which that obligation is in effect. In addition, such notice shall specify any deadlines applicable to capacity recalls by the Releasing Customer.

7.3 EXECUTION OF SERVICE AGREEMENT. Service Agreements for Biddable and non-biddable prearranged capacity releases will be tendered within one hour

after Seller awards capacity or Seller is notified of the deal.

- 7.4 BILLING ADJUSTMENT. Releasing Customer shall remain fully obligated under the terms of its Service Agreement with Seller during any capacity release except for usage charges incurred by any Replacement Customer that has purchased capacity released by the Releasing Customer. Seller shall credit the invoice of Releasing Customer each Month for the charges and volumetric rates invoiced, by Seller to Replacement Customer provided, however, that such credit:
- (a) shall not include any charges billed to the Replacement Customer under Section 5 of this Rate Schedule or Rate Schedule ISS, and
 - (b) shall be reduced by the amount of any marketing fee Seller is entitled to collect pursuant to Section 7.5 of this Rate Schedule.

If a Replacement Customer fails to pay all or any part of its charges under the Deliverability Reservation Rate and Capacity Reservation Rate which have been credited to Releasing Customer within fifteen (15) days of the due date, such unpaid amount, with applicable interest accruing from the date Replacement Customer's payment was due, will be charged to the Releasing Customer's next monthly bill and will be due and payable by Releasing Customer, unless Replacement Customer in good faith shall dispute the billed charges in accordance with the provisions set forth in Section 8.2 of the General Terms and Conditions of this FERC Gas Tariff. If such failure to pay continues for thirty (30) days after payment is due, and the Replacement Customer has not disputed billings in accordance with Section 8.2 of the General Terms and Conditions of this FERC Gas Tariff, then Seller may, in addition to any other remedies it may have hereunder, terminate its Agreement with the Replacement Customer, and the Replacement Customer shall be deemed to have consented to abandonment of service under the Agreement. If the Agreement with the Replacement Customer is so terminated and service abandoned, the capacity will revert to the Releasing Customer, and will be governed by the terms and conditions of its existing Agreement with Seller. If Releasing Customer pays delinquent amounts owed by Replacement Customer and Seller subsequently receives payment from Replacement Customer of some or all of such amounts, Seller will credit the amounts received from the Replacement Customer in Seller's next monthly bill to the Releasing Customer.

- 7.5 MARKETING FEE. Seller may negotiate with Releasing Customer to market all or a portion of the released capacity to potential Replacement Customers who, as a result of such marketing activity, bid for such capacity during the competitive bidding procedure. If Seller, contracts with a Replacement Customer found by Seller, Seller, with the agreement of Releasing Customer, shall be entitled to a marketing fee which will be negotiated between Seller and Releasing Customer. The basis and method of assessing such fee shall be subject to negotiations between Seller and Releasing Customer. Each Replacement Customer found by Seller, pursuant to Seller's agreement with Releasing Customer concerning a marketing fee, shall submit with its bid a statement attesting to Seller's marketing

efforts, which efforts shall consist of more than the simple posting of a notice on Seller's EBB and informational postings website, in connection with such Replacement Customer's decision to purchase released capacity. Such statement shall constitute conclusive evidence of Seller's proactive marketing effort entitling Seller to a marketing fee.

- 7.6 TERM. Any release under this Section 7 for service under Rate Schedule FSS shall be for a maximum term not longer than the remaining term of the underlying FSS Service Agreement. If capacity is released and the Replacement Customer takes service under Rate Schedule FSS, the minimum term shall be one month.
- 7.7 RELEASING CUSTOMER'S INJECTION/WITHDRAWAL CHARGES. Releasing Customers' pricing provisions of any offer to release pursuant to Section 7.1 hereof must include Releasing customers' currently effective Injection Rate, Withdrawal Rate, Overrun Injection Rate and Overrun Withdrawal Rate and Fuel Use/Loss Charge.
- 7.8 VOLUMETRIC RELEASE. Customer may release capacity on a volumetric basis, provided that:
- (a) all requirements and conditions of the release be specified by the Releasing Customer in the release notice, including any minimum storage volume requirement, and
 - (b) the requirements and conditions specified by Releasing Customer must meet all of the requirements and conditions of Seller's Volume No. 1A FERC Gas Tariff and,
 - (c) Seller will bill the Volumetric Rate for Release for volumes actually injected into storage by Seller for the account of Replacement Customer or the minimum storage volume requirement if actual injected volumes are less than the required minimum storage requirement and,
 - (d) Replacement Customer shall remain fully responsible for all Usage Charges incurred.
- 7.9 PRE-PAYMENT. Prior to the commencement of service pursuant to any release request, the Replacement Customer shall submit to Seller, in accordance with Section 2.1 of the General Terms and Conditions of this FERC Gas Tariff, a check in an amount equal to the lesser of \$10,000 or the aggregate reservation charges which would be due for two months of released service.
- 7.10 ROLLOVER RESTRICTION. Releases of a period of 31 Days or less may not roll-over, extend, or continue in any way to the same Replacement Customer using the 31 days or less bidding exemption until twenty eight (28) Days after the first release period has ended. The 28-day hiatus does not apply to any re-release to the same Replacement Customer that is posted for bidding under Section 7.1

hereof or that qualifies for any of the other exemptions from bidding under Section 7.2 hereof.

7.11 REQUESTS TO PURCHASE CAPACITY. Any party desiring to acquire firm capacity pursuant to the capacity release procedures of this Section 7 must submit the following information to Seller via e-mail.

- (a) the Replacement Customer's name and contact information;
- (b) the Maximum Daily Storage Quantity desired;
- (c) the Maximum Daily Injection Quantity desired;
- (d) the Maximum Daily Withdrawal Quantity desired;
- (e) the desired commencement date and term of service;
- (f) the maximum rate(s) that Replacement Customer will pay for the service;
- (g) whether Replacement Customer will accept a release with recall rights, and if so, what recall rights would be acceptable; and
- (h) whether Replacement Customer's request is contingent, and if so, the basis for the contingency.

Seller shall post information concerning offers to purchase released capacity on the EBB [and informational postings website](#) for a period of ninety days or until a transaction is effected, whichever is shorter.

8. GAS IN STORAGE AFTER TERMINATION OF AGREEMENT. If a Customer which has not renewed its FSS Agreement for the next Storage Contract Year fails to withdraw all of its Working Storage Gas by the end of the Storage Contract Year in which such FSS Agreement terminates, then, at Seller's option, and upon forty-eight (48) hours notice, Customer will be deemed to have agreed to the Storage of such remaining Working Storage Gas under Rate Schedule ISS and shall pay a Late Withdrawal Charge of one dollar per Dth per day, or at Seller's option, Seller may retain any remaining quantities of Working Storage Gas free and clear of any adverse claims; provided however, that Seller will notify Customer in writing prior to November 1 of the Contract Year in which the term of its FSS Agreement will expire of the quantity of Storage Volumes being held by Seller for Customer's account and the above options available to Seller in the event Customer fails to withdraw all of its Working Storage Gas by the end of said Storage Year. Seller may, at its sole option on a non-discriminatory basis, grant Buyer an extended time in which to withdraw or transfer such remaining Working Storage Gas. In the event Seller is unable to withdraw Customer's properly nominated volumes, up to the Customer's Maximum Daily Withdrawal Quantity, on any Day during

the last Storage Year prior to the expiration of the Agreement, then the term of the Agreement shall be extended by the number of days Seller is unable to ~~tender~~Tender quantities of Gas for redelivery.

In the event that a Customer does not renew its FSS agreement and fails to withdraw all of its Working Storage Gas as provided above then the Customer will incur a Late Withdrawal Charge or forfeit remaining quantities of Working Storage Gas. In that event, Seller will credit the Late Withdrawal Charge or the value of the gas retained by Seller to its existing customers in the manner set forth in Section 8.4 of the general terms and conditions of the tariff.

9. DEFINITIONS

- 9.1 The term Elapsed Prorata Capacity ("EPC") shall mean that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.
- 9.2 The term "Maximum Daily Injection Quantity" shall mean: the quantity set forth in the Customer's FSS Service Agreement.
- 9.3 The term "Maximum Daily Withdrawal Quantity" shall mean the quantity set forth in the Customer's FSS Service Agreement:
- 9.4 The term "Permanent Capacity Release" shall mean the release of capacity by the Customer for the remaining term of its Agreement with Seller. If (i) the terms and conditions of the new Service Agreement with the Replacement Customer are at least as favorable to Seller as the Agreement between Seller and the Releasing Customer, and (ii) the Replacement Customer is at least as creditworthy as the Releasing Customer. Releasing Customer shall not be liable for any charges incurred by the Replacement Customer after the Permanent Capacity Release. Replacement Customer shall be subject to all terms of this FERC Gas Tariff.
- 9.5 The term "Storage Contract Year" shall mean the period from April 1 of a calendar year through March 31 of the following calendar year.

RATE SCHEDULE PNFSS
INTERRUPTIBLE STORAGE SERVICE

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of natural gas storage service from Honeoye Storage Corporation (hereinafter referred to as "Seller"), when Seller has determined on a non-discriminatory basis, that capacity is available to provide service under the Rate Schedule and when Customer and Seller have executed a Service Agreement under this Rate Schedule. Capacity committed to higher priority services will not be deemed available to provide service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Priority Non-Firm Storage Service that is rendered by Seller for Customer pursuant to an executed Agreement under this Rate Schedule

(a) Storage Service rendered by Seller under this Rate Schedule shall consist of:

- (i) The receipt of Gas on behalf of Customer at the Point of Injection/Withdrawal up to the Maximum Storage Quantity or Customer's Storage Overrun Quantity plus Seller's injection Fuel Use at daily quantities up to the Maximum Daily Injection Quantity plus Seller's Injection Use;
- (ii) The Storage of Gas in quantities not to exceed the Maximum Storage Quantity or Customer's Storage Overrun Quantity; and
- (iii) The Tender of Gas to or for the account of Customer at the Point of Injection/Withdrawal at a quantity not to exceed Customer's Working Storage Gas or Storage Overrun Quantity reduced by Seller's withdrawal Fuel Use at daily quantities up to the Maximum Daily Withdrawal Quantity reduced by Seller's Withdrawal Use.

(b) Storage Service rendered under this Rate Schedule shall be priority non-firm as described below, and shall be available only when capacity is not being used for injection, storage and withdrawal of higher priority services. Such priority non-firm service shall be offered in accordance with the provisions established in the General Terms and Conditions of this Tariff. Seller may, if storage capacity is required by Customers having a higher priority, require Customer to withdraw quantities held in storage by Seller for or on behalf of Customer under Rate Schedule

PNFSS within thirty (30) days of the date notice is provided to Customer by Seller. Customer indemnifies and holds Seller harmless from and against any and all losses, damages or expenses of any kind that Customer may suffer or be liable for a result of any reduction or interruption in service pursuant to this Rate Schedule.

- (c) From time-to-time, Seller may determine that it is able to make available to Customer a quantity of storage capacity that will have a higher priority than fully interruptible service but a lower priority than Storage Service provided under any of Seller's Firm rate schedules. Such quantities shall be referred to as Priority Non-Firm Storage Service and shall be available under this Rate Schedule. Customer shall have access to its full Maximum Storage Quantity during the term of its PNFSS Service Agreement. A payment of Priority Non-Firm Storage Quantity Rate creates no priority rights to inject gas into or withdraw gas from Seller's facilities under this PNFSS Rate Schedule.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Volume No. 1A FERC Gas Tariff are applicable to this Rate Schedule and are specifically incorporated herein by reference.

4. RATES AND CHARGES

The amounts that shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the amounts due under the subsections of this Section 4 and charges under Section 5 that are applicable to Customer for such Month, computed by use of the applicable rates set forth in the Customer's Agreement which are effective during such Month or portions thereof. Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent.

- 4.1 Priority Non-firm Storage Service (PNFSS) Quantity Rate: A monthly Inventory Rate shall be paid for each Dekatherm of Maximum Storage Quantity which is made available to Customer during the Month. If at any time during the Month, Seller curtails Customer's access to any portion of the Maximum Storage Quantity, then Seller shall refund the portion of the monthly Priority Non-Firm Storage Quantity Rate associated with the quantity that was curtailed.
- 4.2 Priority Non-Firm Storage Service Injection Rate: An injection rate shall be paid for each Dekatherm that is injected for or on behalf of Customer during the month.
- 4.3 Priority Non-Firm Storage Service Withdrawal Rate: A withdrawal rate shall be paid for each Dekatherm which is withdrawn for or on behalf of

Customer during the month.

- 4.4 Seller's Fuel Use Charge: Seller will bill Customer each month for gas lost or unaccounted for in Seller's operations at the rate of (i) one percent (1.0%) of the gas injected on Customer's behalf in the preceding month and (ii) one percent (1.0%) of the gas withdrawn on Customer's behalf in the preceding month.
- 4.5 Regulatory Fees and Charges. Customer shall reimburse Seller for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this rate schedule, including, but not limited to, the Commission's Annual Charge Adjustment (ACA).
- 4.6 Overrun ~~Storage Commodity Rate~~Service Charge: An Overrun ~~Storage Commodity Rate~~Service Charge shall be paid for each Dekatherm of service provided on behalf of Customer pursuant to Section 6 of this Rate Schedule. As set forth in the ~~Customer's~~Customer's Agreement, the Overrun ~~Storage Commodity Rate~~Service Charge shall consist of the ~~Storage Commodity~~Overrun Injection Rate for each Dekatherm of Gas the Customer delivers or causes to be delivered at the Point of Injection/Withdrawal in excess of the Customer's Maximum Daily Injection Quantity, the Overrun Withdrawal Rate for each Dekatherm of Gas which is delivered to or for the account of the Customer in excess of the Customer's Maximum Daily Withdrawal Quantity, and the Overrun ~~Storage Commodity Rate~~ for each Dekatherm of the Daily Storage Volume which is stored ~~for or of~~ on behalf of Customer during the Month greater than the ~~Customer's~~Customer's Maximum Storage Quantity.

5. ADDITIONAL CHARGES

Other Charges: Customer shall pay any other charges applicable to service hereunder authorized by the Commission or any successor agency having jurisdiction.

6. STORAGE OVERRUN SERVICE

Customer may request Seller to provide storage service under this Rate Schedule for quantities of gas in excess of Customer's Maximum Daily Injection Charge, Maximum Daily Withdrawal Charge, and/or Maximum Storage Quantity. Seller may provide such Overrun Service on an interruptible basis if, in Seller's judgment, it can provide the service without adverse effect on Seller's operations or on Seller's ability to meet higher priority obligations. Customer shall pay the Overrun Storage ~~Commodity Rate~~Service Charge pursuant to Section 4.6 of this Rate Schedule PNFSS for such overrun storage service.

7. LATE WITHDRAWAL RATE

If Customer fails to withdraw all Working Storage Gas quantities held in storage by Seller for or on behalf of Customer by the end of the applicable withdrawal period set forth in Section 2 above, or by the date the PNFSS Service Agreement terminates, then Customer shall pay a Late Withdrawal Charge of \$1/Dekatherm/day for all Customer's gas remaining in inventory or, at Seller's sole option, Seller may retain such remaining quantities of Working Storage Gas free and clear of any adverse claims, unless such failure to withdraw was due to Seller's inability to withdraw the quantities nominated by Customer, in which event such applicable withdrawal period shall be extended by the number of days Seller is unable to ~~tender~~Tender quantities of Gas for redelivery.

In the event that a Customer does not renew its PNFSS Service Agreement and fails to withdraw all of its Working Storage Gas as provided above then the Customer will incur a Late Withdrawal Charge or forfeit remaining quantities of Working Storage Gas. In that event Seller will credit the Late Withdrawal Charge or the value of the gas retained by Seller to its existing customers in the manner set forth in Section 8.4 of the General Terms and Conditions of the tariff.

8. The PNFSS Service Agreement shall have a mutually agreeable term which shall not be less than one day.

9. DEFINITIONS

- 9.1 The term "Maximum Daily Injection Quantity" shall be mutually agreed upon and set forth in Customer's PNFSS Service Agreement.

- 9.2 The term "Maximum Daily Withdrawal Quantity" shall be mutually agreed upon and set forth in Customer's PNFSS Service Agreement.

- 9.3 The term "Storage Overrun Quantity" shall be mutually agreed upon and set forth in Customer's PNFSS Service Agreement.

RATE SCHEDULE ISS
INTERRUPTIBLE STORAGE SERVICE

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of natural gas storage service from Honeoye Storage Corporation (hereinafter referred to as "Seller"), when Seller has determined on a non-discriminatory basis, that capacity is available to provide service under the Rate Schedule and when Customer and Seller have executed a Service Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Interruptible Storage Service that is rendered by Seller for Customer pursuant to an executed Agreement under this Rate Schedule.

- (a) Storage Service rendered by Seller under this Rate Schedule shall consist of:
 - (i) The receipt of Gas on behalf of Customer at the Point of Injection/Withdrawal up to the Maximum Storage Quantity or Customer's Storage Overrun Quantity plus Seller's injection Fuel Use at daily quantities up to the Maximum Daily Injection Quantity plus Seller's Injection Use;
 - (ii) The Storage of Gas in quantities not to exceed the Maximum Storage Quantity or Customer's Storage Overrun Quantity ; and
 - (iii) The Tender of Gas to or for the account of Customer at the Point of Injection/Withdrawal at a quantity not to exceed Customer's Working Storage Gas or Storage Overrun Quantity reduced by Seller's withdrawal Fuel Use at daily quantities up to the Maximum Daily Withdrawal Quantity reduced by Seller's Withdrawal Use.
- (b) Storage Service rendered under this Rate Schedule shall be interruptible, and shall be available only when capacity is not being used for injection, storage and withdrawal of higher priority services. Such interruptible service shall be offered in accordance with the provisions established in the General Terms and Conditions of this Tariff. Seller may, if storage capacity is required by Customers having a higher priority, require Customer to withdraw quantities held in storage by Seller for or on behalf of Customer under Rate Schedule ISS within three (3) days of the date notice is provided to Customer by Seller. Customer indemnifies and holds Seller harmless from and against any and all losses, damages or expenses of any kind which Customer may suffer or be liable for a result of any reduction or interruption in service pursuant to this Rate Schedule.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Volume No. 1A FERC Gas Tariff are applicable to this Rate Schedule and are specifically incorporated herein by reference.

4. RATES AND CHARGES

The amounts which shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the amounts due under the subsections of this Section 4 and charges under Section 5 that are applicable to Customer for such Month, computed by use of the applicable rates set forth in the Customer's Agreement which are effective during such Month or portions thereof. Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent.

- 4.1 Interruptible Storage Service (ISS) Injection Rate: An injection rate shall be paid for each Dekatherm, which is injected for or on behalf of Customer during the month.
- 4.2 Interruptible Storage Service (ISS) Withdrawal Rate: A withdrawal rate shall be paid for each Dekatherm which is withdrawn for or on behalf of Customer during the month.
- 4.3 Interruptible Storage Service (ISS) Inventory Rate: An Inventory Rate shall be paid for each Dekatherm of the Average Monthly Storage Volume which is stored for or on behalf of Customer during the Month.
- 4.4 Seller's Fuel Use Charge: Seller will bill Customer each month for gas lost or unaccounted for in Seller's operations at the rate of (i) one percent (1%) of the gas injected on Customer's behalf in the preceding month and (ii) one percent (1.0%) of the gas withdrawn on Customer's behalf in the preceding month.
- 4.5 Regulatory Fees and Charges. Customer shall reimburse Seller for all fees and charges, as required by the Commission or any other regulatory body, that are related to service provided under this rate schedule, including, but not limited to, the Commission's Annual Charge Adjustment (ACA).
- 4.6 Overrun Storage Commodity Rate: An Overrun Storage Commodity Rate shall be paid for each Dekatherm of service provided on behalf of Customer pursuant to Section 6 of this Rate Schedule. As set forth in the Customer's Agreement, the Overrun Storage Commodity Rate shall consist of the Storage Commodity Rate for each Dekatherm of the Daily Storage Volume which is stored for or on behalf of Customer during the Month greater than the Customer's Maximum Storage Quantity.

5. ADDITIONAL CHARGES

5.1 Commission and other Regulatory Fees: Customer shall reimburse Seller for all fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule including, but not limited to, filing, reporting and application fees.

5.2 Other Charges: Customer shall pay any other charges applicable to service hereunder authorized by the Commission or any successor agency having jurisdiction.

6. STORAGE OVERRUN SERVICE

Customer may request Seller to provide storage service under this Rate Schedule for quantities of gas in excess of Customer's Maximum Storage Quantity. Seller may provide such Overrun Service on an interruptible basis if, in Seller's judgment, it can provide the service without adverse effect on Seller's operations or on Seller's ability to meet higher priority obligations. Customer shall pay the Overrun Storage Commodity Rate pursuant to Section 4.6 of this Rate Schedule ISS for such overrun storage service.

7. LATE WITHDRAWAL RATE

If Customer fails to withdraw all Working Storage Gas quantities held in storage by Seller for or on behalf of Customer by the end of the applicable withdrawal period set forth in Section 2 above, or by the date the ISS Agreement terminates, then Customer shall pay a Late Withdrawal Charge of \$1/Dekatherm/day for all ~~customers'~~Customer's gas remaining in inventory or, at Seller's sole option, Seller may retain such remaining quantities of Working Storage Gas free and clear of any adverse claims, unless such failure to withdraw was due to Seller's inability to withdraw the quantities nominated by Customer, in which event such applicable withdrawal period shall be extended by the number of days Seller is unable to ~~tender~~Tender quantities of Gas for redelivery.

In the event that a Customer does not renew its ISS Service Agreement and fails to withdraw all of its Working Storage Gas as provided above then the Customer will incur a Late Withdrawal Charge or forfeit remaining quantities of Working Storage Gas. In that event Seller will credit the Late Withdrawal Charge or the value of the gas retained by Seller to its existing customers in the manner set forth in Section 8.4 of the General Terms and Conditions of the tariff.

8. The Interruptible agreement shall have a mutually agreeable term which shall not be less than one day.

9. DEFINITIONS

9.1 The term "Maximum Daily Injection Quantity" shall be mutually agreed upon and set forth in Customer's ISS Service Agreement.

9.2 The term "Maximum Daily Withdrawal Quantity" shall be mutually agreed upon

and set forth in Customer's ISS Service Agreement.

- 9.3 The term "Storage Overrun Quantity" shall be mutually agreed upon and set forth in Customer's ISS Service Agreement.

RATE SCHEDULE PAL
INTERRUPTIBLE PARKING AND LENDING SERVICE

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of parking and lending service from Honeoye Storage Corporation (hereinafter referred to as "Seller"), when Seller has determined, on a non-discriminatory basis, that it has the existing capacity and operational flexibility to provide service under this Rate Schedule and Customer and Seller have executed a PAL Service Agreement .

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to interruptible parking and/or lending service that is rendered by Seller for Customer pursuant to an executed Service Agreement under this Rate Schedule.

- (a) Interruptible parking service rendered by Seller to Customer under this Rate Schedule shall consist of:
 - (i) The receipt at the Point of Injection/Withdrawal of Customer's Gas per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ"), provided that all higher priority service nominations for injection have been satisfied, and that Customer's Park Balance is less than the Maximum Park Quantity set forth in Exhibit A of the Customer's PAL Service Agreement;
 - (ii) The parking of Gas in amounts up to Customer's Maximum Park Quantity provided that all higher priority service storage needs have been satisfied;
 - (iii) The daily withdrawal and redelivery of Customer's Gas per Customer's nomination to the Point of Injection/Withdrawal, up to Customer's Maximum Daily Withdrawal Quantity ("MDWQ"), provided that all higher priority service nominations or withdrawal have been satisfied, and that Customer has sufficient Gas stored in Customer's Park Balance; and
 - (iv) The withdrawal by Customer of sufficient quantities of Gas under Section 2(a)(iii) above to ensure that Customer's Park Balance equals zero (0) at the end of PAL Term.
- (b) Interruptible loan service rendered by Seller to Customer under this Rate Schedule shall consist of:
 - (i) The advancement to Customer at the Point of Injection/Withdrawal of daily quantities of Gas up to Customer's Maximum Daily Withdrawal

Quantity ("MDWQ"), provided that all higher priority service nominations for withdrawal have been satisfied, that Customer agrees to replace the borrowed Gas at a time to be agreed upon as specified in Exhibit A to the PAL Service Agreement ("Loan Time") and that Customer's Loan Balance is less than the Maximum Loan Quantity as set forth in Exhibit A to Customer's PAL Service Agreement;

- (ii) The redelivery to Seller on any Day during the Loan Time at the Point of Injection/Withdrawal and injection into storage of a portion of Customer's Loan Balance per Customer's nomination up to the Maximum Daily Injection Quantity ("MDIQ"), provided that all higher priority service nominations for injection have been satisfied and Customer's total redeliveries do not exceed Customer's Maximum Loan Quantity; and
 - (iii) The ~~tender~~ Tender by Customer of sufficient quantities of Gas under Section 2(b)(~~iii~~) above to ensure that Customer's Loan Balance equals zero (0) at the end of PAL Term specified in Customer's PAL Services Agreement.
- (c) Seller may, if storage capacity is required by Customers having a higher priority, require Customer to withdraw quantities held in storage by Seller for or on behalf of Customer under Rate Schedule PAL within ten (10) calendar days of the date notice is provided to Customer by Seller. If Customer fails to withdraw the balance of Gas parked within such time (or if Customer's Park Balance is greater than zero at the end of the PAL term), Seller may in its sole judgment, either take, free and clear of any adverse claims, title to such Park Balance, or, in the alternative, assess, and Customer shall pay, a Late Withdrawal Rate of \$1 per Dekatherm per Day for all of Customer's Gas remaining in inventory, provided however, that if Customer's failure to withdraw is due to Seller's inability to withdraw the quantities nominated by Customer, then the withdrawal period will be extended by the number of days Seller was unable to withdraw quantities of gas nominated by Customer.
- (d) To the extent Gas that Seller's advances to Customer hereunder are needed to satisfy Seller's obligations to higher priority services or to meet system needs, Seller may at its sole discretion and upon giving notice to Customer, interrupt the continuation of any or all services hereunder and require Customer to replace or replenish all, or any portion, of the Customer's Loan Balance at a date specified by Seller which shall not be less than three (3) calendar days from the date of Seller's notification unless Seller and Customer mutually agree to a different time frame. Customer shall indemnify and hold Seller harmless from and against any and all losses, damages or expenses of any kind that Customer may suffer or be liable for as a result of any reduction or interruption in service pursuant to this Rate Schedule.
- (e) If Customer fails to replace or replenish Gas advanced by Seller upon such notice

to Customer (or if Customer's Loan Balance is greater than zero at the end of the PAL term), Seller may purchase replacement Gas and Customer shall pay one hundred and fifty percent (150%) of the actual cost of such replacement supplies and any other costs or penalties incurred by Seller or its other customers as a result of Customer's failure, including but not limited to third-party marketer fees and pipeline transportation costs.

3. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Volume No. 1A FERC Gas Tariff are applicable to this Rate Schedule and are specifically incorporated herein by reference.

4. RATES AND CHARGES

The amounts that shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the amounts due under the subsections of this Section 4 and charges under Section 5 that are applicable to Customer for such Month, computed by use of the applicable rates set forth in the Customer's Agreement which are effective during such Month or portions thereof. Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent.

- 4.1 Interruptible PAL Charge. A charge per Day for each Dth of Customer's Gas parked and/or loaned by Seller as specified in Exhibit A of Customer's executed PAL Service Agreement.
- 4.2 Interruptible PAL Injection Charge. A charge for each Dth of Customer's Gas ~~tendered~~ **Tendered** for injection pursuant to Section 2 of this Rate Schedule during a given invoice period.
- 4.3 Interruptible PAL Withdrawal Charge. A charge for each Dth of Customer's Gas withdrawn pursuant to Section 2 of this Rate Schedule during a given invoice period.
- 4.4 Interruptible PAL Overrun Rate. A charge per day for each Dth of Customer's Gas parked and/or loaned by Seller as PAL Overrun Service in accordance with Customer's executed PAL Service Agreement.

5. ADDITIONAL CHARGES

- 5.1 Commission and other Regulatory Fees: Customer shall reimburse Seller for all fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule, including, but not limited to, filing, reporting and application fees, and the Commission's Annual Charge Adjustment (ACA).
- 5.2 Other Charges: Customer shall pay any other charges applicable to service

hereunder authorized by the Commission or any successor agency having jurisdiction.

6. TERM

The PAL Service Agreement shall have a mutually agreeable term that shall not be less than one day.

7. PAL ~~Overrun Service~~ OVERRUN SERVICE

Customer may request Seller to provide service under this Rate Schedule for quantities in excess of Customer's Maximum Loan Quantity or Maximum Park Quantity. Seller may provide such PAL Overrun Service on an interruptible basis if, in Seller's sole judgment, it can provide the services without adverse impact on Seller's ability to meet higher priority obligations. PAL Overrun Service shall be scheduled and confirmed only after all other services offered by Seller are scheduled and confirmed. Customer shall pay the PAL Overrun Rate pursuant to Section 4.4 of this Rate Schedule PAL for such overrun PAL service.

8. DEFINITIONS

- 8.1 "Customer's Gas" shall mean Customer's Park Balance and/or Customer's Loan Balance, as applicable, at any given time.
- 8.2 "Loan Balance" shall mean the quantity of gas, expressed in Dth, that Seller has loaned to Customer, provided that the Loan Balance shall never exceed Customer's MLQ specified in Exhibit A of Customer's PAL Services Agreement.
- 8.3 "Park Balance" shall mean the quantity of gas, expressed in Dth, that Seller has Parked with Customer, provided that the Park Balance shall never exceed Customer's MPQ specified in Exhibit A of Customer's PAL Services Agreement.
- 8.4 "PAL Term" means the period between the "begin date" and the "end date" specified in Exhibit A to Customer's executed PAL Service Agreement
- 8.5 "Maximum Daily Withdrawal Quantity" or "MDWQ" shall mean the maximum quantity of gas, expressed in Dths, specified in Customer's Service Agreement or Exhibit A of the PAL Service Agreement, as applicable, that Customer may nominate and withdraw and that Seller shall deliver at the Point of Injection/Withdrawal at constant hourly rates of flow over the course of such Day, provided that Seller may, in its sole and reasonable judgment, determine that the maximum quantity may be delivered at rates of flow which deviate from constant hourly rates over the course of such Day.
- 8.6 "Maximum Daily Injection Quantity" or "MDIQ" shall mean the maximum

quantity of gas, expressed in Dths, specified in Customer's Service Agreement or Exhibit A of the PAL Service Agreement, as applicable, that Customer may nominate and inject and that Seller shall receive at the Point of Injection/Withdrawal at constant hourly rates of flow over the course of such Day, provided that Seller may, in its sole and reasonable judgment, determine that the maximum quantity may be received at rates of flow which deviated from the constant hourly rates over the course of such Day.

- 8.7 "Maximum Loan Quantity" or "MLQ" shall mean the maximum quantity of gas, expressed in Dth, that Seller will loan to Customer , as specified in Exhibit A of Customer's PAL Services Agreement.
- 8.8 "Maximum Park Quantity" ("MPQ") shall mean the maximum quantity of gas, expressed in Dth, that Customer is permitted to have in storage in Seller's facilities, at any given time as specified in Exhibit A of Customer's PAL Services Agreement.

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1 The term “Agreement” shall mean the Service Agreement executed by the Customer and Seller and any exhibits, attachments and/or amendments thereto.
- 1.2 The term “Average Monthly Storage Volume” shall mean the sum of Customer's Working Storage Gas at the end of each Day of the Month divided by number of Days in the Month.
- 1.3 The term “BTU” shall mean one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water one degree (1) Fahrenheit at sixty degrees (60) Fahrenheit. (BTU is measured on a dry basis at 14.73 psia.)
- 1.4 The term “Business Day” shall mean every Monday, Tuesday, Wednesday, Thursday or Friday, excluding all federal banking holidays for transactions in the United States.
- 1.5 The term “Clock Time” shall mean Central Standard Time except for that period when daylight savings is in effect. During this period, Clock Time shall mean Central Daylight Time.
- 1.6 The term “Commission” and “FERC” shall mean the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction.
- 1.7 The term “Contract Term” shall mean the period beginning on the date storage service under a storage agreement commences and ending on the day the term of the agreement terminates.
- 1.8 The term “Customer” shall mean any person, corporation, partnership or any other party that executes a valid Service Agreement with Honeoye Storage Corporation for the Storage of Gas, or other services under the terms and conditions of Seller's FERC Gas Tariff Original Volume No. 1A.
- 1.9 The term “Day” shall mean a period of consecutive hours, beginning at 9:00 a.m. Clock Time and ending on the following 9:00 a.m. Clock Time as adjusted, when appropriate, for changes from Standard to Daylight Savings Time and vice versa.
- 1.10 The term “Dekatherm” (Dth) shall mean the quantity of heat energy which is equivalent to one (1) million (1,000,000) BTU; thus the term MDth shall mean one (1) thousand Dth.
- 1.11 The determination of quantities deemed to be delivered for purposes of use of the term “Each Dekatherm Of Gas Which Is Delivered” shall be the pro rata

allocation of the quantities of Gas nominated, after adjustments for Seller's Use and pursuant to Section 4.3 hereof, for injection into storage or for withdrawal from storage.

- 1.12 The term “EBB” shall mean Honeoye Storage Corporation’s ~~internet-~~
siteelectronic bulletin board set forth in Section 13 of General Terms and Conditions of this FERC Gas Tariff.
- 1.13 The term “EDM” shall mean Honeoye Storage Corporation’s electronic ~~data-~~
maildelivery mechanism.
- 1.14 The term “Equivalent Quantities” shall mean a quantity of Gas containing an amount of Dths equal to the amount of Dths received by Seller for the account of Customer at the Point of Injection /Withdrawal reduced by the Dths removed for Seller's Injection and/or Withdrawal Fuel Use as attributable to the Storage of Customer's Gas.
- 1.15 The term “Gas” means natural gas in its natural state, produced from wells, including casinghead gas produced with crude oil, natural gas from gas wells, and residue gas resulting from processing both casinghead gas and gas well gas.
- 1.16 The term “Interruptible” shall mean that the storage, parking, or lending service is subject to interruption at any time by Seller. An interruptible Customer may be required to withdraw gas from interruptible Storage Capacity or return gas received as Storage Overrun Quantity, should such capacity or gas be required by a firm customer or by another interruptible Customer willing to pay a higher interruptible Storage rate.
- 1.17 The term “Maximum Storage Quantity” shall mean the greatest number of Dths that Seller is obligated to store on behalf of Customer on any Day excluding Storage Overrun Quantity, if applicable.
- 1.18 The term “Month” shall mean the period beginning at 9:00 a.m. Central Time on the first Day of a calendar month and ending at ~~the same hour~~9: 00 a.m. Central Time on the first Day of the next succeeding calendar month.
- 1.19 The term “North American Energy Standards Board” (“NAESB”) shall mean that accredited organization established to set standards for certain natural gas industry business practices and procedures.
- 1.20 The term “NAESB Standards” shall mean the relevant standardized business practices, procedures and criteria which have been adopted and published by the NAESB and which have been adopted by reference by the Commission.
- 1.21 The term “OBA” shall mean a contract between two parties which specifies the

procedures to manage operating variances at an interconnect.

- 1.22 The term “OFO” shall mean an order issued to deviate conditions which threaten or could threaten the safe operations or system integrity of Seller’s system or to maintain operations required to provide efficient and reliable firm service. Whenever Seller experiences these conditions, any pertinent order will be referred to as an OFO.
- 1.23 The term “Point of Injection/Withdrawal” shall mean the point of interconnection between Seller’s Honeoye Storage Project and third party transporter’s facilities located in Ontario County, New York or such other location as may be designated by Seller and its Customer.
- 1.24 The term “Psig” shall mean pounds per square inch gauge.
- 1.25 The term “Releasing Customer” shall mean any Customer who has agreed to release capacity under Section 7 of Rate Schedule FSS.
- 1.26 The term “Replacement Customer” shall mean any Customer to which capacity is released under Section 7 of Rate Schedule FSS.
- 1.27 The term “Seller” shall mean Honeoye Storage Corporation.
- 1.28 The term “Seller’s Injection Use” shall mean the applicable percentage stated in Seller’s Rate Schedules multiplied by the quantity of Gas injected into storage for the account of Customer.
- 1.29 The term “Seller’s Use” shall mean the sum of the Seller’s Injection Use and the Seller’s Withdrawal Use.
- 1.30 The term “Seller’s Withdrawal Use” shall mean the applicable percentage stated in Seller’s Rate Schedules multiplied by the quantity of Gas withdrawn from storage for the account of Customer.
- 1.31 The term “Service Day” shall mean the Day during which Customer receives storage service pursuant to a nomination in accordance with Section 4 of the General Terms and Conditions of this FERC Gas Tariff.
- 1.32 The term “Storage” or “Storage Service” shall mean the storage, parking or lending of Gas.
- 1.33 The term “Storage Overrun Quantity” shall mean the number of Dths that Seller provides and stores on behalf of Customer on any day in excess of Customer’s Maximum Storage Quantity pursuant to Rate Schedule ISS and Rate Schedule PNFSS.

- 1.34 The terms “Tender,” “Tender Gas” and “Tender of Gas” shall mean that the delivering party is able and willing, and offers, to deliver gas to or for the account of the receiving party at the Point of Injection/Withdrawal.
- 1.35 The term “Transporter” means the Customer’s Transporter designated to deliver gas to the Point of Injection/Withdrawal or Customer’s Transporter designated to receive gas from the Point of Injection/Withdrawal.
- 1.36 The term “Usage Charges” shall mean all variable charges associated with the injection/withdrawal of Gas by Seller.
- 1.37 The term “Wire Transfer” shall mean payments made/effectuated by wire transfer-~~(Fedwire, CHIPS, or Book Entry), or,~~ Automated Clearinghouse, or any other recognized electronic or automated payment mechanism that is agreed upon by Seller in the future.
- 1.38 The term “Working Storage Gas” shall mean the quantity of Gas held in storage at any given time, by Seller, for the account of Customer.

2. REQUESTS FOR SERVICE

- 2.1 Requests. To seek to qualify for Storage Service pursuant to Rate Schedules FSS, PNFSS, ISS, or PAL a potential Customer shall submit a request for such service in writing to the Seller. Seller, as applicable, shall evaluate and respond to such requests as soon as is reasonably possible, and shall begin service as soon as is reasonably possible, after execution of the Agreement or upon the date set forth in the Agreement. Such a request shall be considered acceptable only if the information specified in Section 2.2 below is provided in writing, but Seller may waive all or any portion of such information in individual instances, when the information is already in possession of Seller. Seller on a non-discriminatory basis may require that each request for service under Rate Schedule FSS by or on behalf of each proposed Customer be accompanied by refundable earnest money in the form of either wire transfer or a check payable to Honeoye Storage Company in the amount of the lesser of ten thousand (\$10,000) or the aggregate reservation charges which would be due for two months of service for such requested service, which amount shall be applied, until fully used, against the first amounts due by Customer to Seller as reservation charges; provided, however, that if the request is not accepted by Seller or if service is not otherwise offered, Seller will refund earnest money thirty (30) days after notice to potential Customer that Seller is not accepting offer.

Requests for service shall be sent to:

Honeoye Storage Company

4511 Egypt Road

Canandaigua, NY 14424

Attention: ~~Vice President of Operations~~ Manager of Marketing and Compliance

2.2 Form of Request for Storage Service

- (a) Each request, to be considered as an acceptable and valid request, must furnish the applicable portion of the information set forth in paragraphs (b)-(j) below. The “Honeoye Storage Corporation Service Request Form” is set forth in this FERC Gas Tariff and may be changed from time to time and reissued by Seller.
- (b) Requestor's Identification: Name, address, representative, telephone number of party requesting service.
- (c) Customer's Identification: (Note: The “Customer” is the party which proposes to execute the Agreement).
- (1) Name, address, representative and telephone number of Customer;
- (2) A statement of whether Customer is a local distribution company, an intrastate pipeline, an interstate pipeline, marketer/broker,

producer, end user or other type of entity (which shall be described);

- (3) A statement of whether Customer is acting for itself or as agent for someone else (who must be named); and
- (4) A statement of whether Customer is a Replacement Customer and the contract number under which Replacement Customer is requesting service.

(d) Type of Service(s) Category(ies) Requested: Specify which Volume No. 1A Rate Schedule service is desired.

(e) Quantity: (stated in Dekatherms)

- (1) Maximum Storage Quantity, which shall not be less than 25,000 Dekatherms, except for volumes under Section 7 of Rate Schedule FSS.

- (2) Maximum Daily ~~Withdrawal~~ Injection Quantity, which shall be determined in accordance with Seller's Rate Schedules.

- (3) Maximum Daily Withdrawal Quantity, which shall be determined in accordance with Seller's Rate Schedules

- (4) Storage Overrun Quantity, if applicable.

(f) Term of Service:

- (1) Date service is requested to commence.
- (2) Date service is requested to terminate (Agreements for FSS shall terminate on March 31 and shall be for a minimum length of twelve months, unless otherwise agreed to by Seller).

(g) Point of Injection.

(h) Point of Withdrawal.

(i) Certified Statement: A certified statement by the Customer that it has, or will have, by the time of execution of an Agreement with Seller, title to, or the legal right to cause to be delivered to Seller, for Storage, the Gas which is to be delivered to Seller and facilities or contractual rights which will cause such Gas to be delivered to and received from Seller.

(j) Credit Evaluation:

- (1) Customer should submit year end audited financial statements of Customer (if available) together with the latest quarterly report. If audited financial statements are not available, Customer should furnish unaudited financial statements—~~In~~; provided however, that in such event, Seller may request additional credit information.
- (2) Customer's Affiliates, including parent, subsidiaries of parent and of such subsidiaries, and subsidiaries of Customer.
- (3) In the event proceedings have been commenced by or against such Customer for any relief under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension; or in the event a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of such Customer, or of a substantial part of its property, or for the winding up or liquidation of its affairs, shall have been entered, or any substantial part of the property of such Customer shall be sequestered or attached and shall not be returned to the possession of such Customer or released from such attachment within thirty (30) Days thereafter; or in the event such Customer shall make a general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due, or in the event that any financial institution has refused to extend credit to Customer within the past year or any rating agency has downgraded the Customer's securities or issued publicly available material giving an opinion that Customer's credit quality or standing has declined, Customer shall be required to fully disclose any and all actions regarding the above described proceedings against Customer or related parties defined in (32) above, in its request for service.
- (4) Any other information requested by Seller pursuant to Section 11.5 of the General Terms and Conditions.

2.3 Subsequent Information

- (a) If any of the events or actions described in 2.2j(3) above, shall be initiated or imposed during the term of service hereunder, Customer shall provide notification thereof to Seller within two (2) Business Days of any such initiated or imposed event or action. Customer shall also provide, forthwith, such additional Customer credit information as may be reasonably required by Seller, at any time during the term of service hereunder, to determine Customer's creditworthiness.

- (b) After receipt of a request for Storage Service hereunder, Seller may require that Customer furnish additional information as a prerequisite to Seller offering to execute an Agreement with Customer. Such information may include proof of Customer's title to the Gas involved and/or its legal right to cause the Gas to be delivered to Seller for Storage and of Customer's contractual and/or physical ability to cause such Gas to be delivered to and received from Seller.

2.4 Request Validity. Customer's request for Storage Service shall be considered null and void if Seller had tendered an Agreement for execution to Customer and Customer fails to execute the Agreement for FSS either within ten (10) Days if the Agreement is identical to Customer's request for service or fifteen (15) days if the Agreement differs from Customer's request for service thereafter or within five (5) days thereafter for PNFSS, ISS, or PAL. Seller will not execute an Agreement under these Rate Schedules FSS, PNFSS, ISS, or PAL for which it does not have sufficient available capacity. If sufficient capacity is available, but Customer does not desire to or cannot begin Storage Service within thirty (30) days after the date the request is made pursuant to Section 2.2 of these General Terms and Conditions of this Tariff, or such other period as the parties may agree to in writing, then such request shall be considered null and void.

2.5 Customer's Performance. If a Customer that has executed an Agreement for service under Rate Schedule PNFSS or ISS, on the date service is to commence, fails to nominate, pursuant to Section 4.1 of these General Terms and Conditions, a quantity of Gas for Storage, or, having nominated a quantity of Gas and Seller having scheduled the quantity for Storage, pursuant to Section 4.3 of these General Terms and Conditions, fails to Tender such Gas for Storage on the date it is scheduled, the Seller may terminate Customer's Agreement and the Customer's request for service shall be deemed null and void; provided, however, that the Customer's Agreement shall not be terminated nor shall the Customer's request for service be deemed null and void if the Customer's failure to nominate or ~~tender~~Tender is caused by an event of force majeure on Seller's system, as defined in Section 9 of these General Terms and Conditions.

2.6 Complaints: In the event that a Customer or potential Customer has a complaint relative to service under this FERC Tariff, the Customer shall:

- (a) Provide a description of the complaint, verbally or in writing, including the identification of the storage request (if applicable), and communicate it to:

Honeoye Storage Company

Attn: ~~Vice President of Operations~~Manager of Marketing and

Compliance

4511 Egypt Road

Canandaigua, NY 14424
Phone: (~~716~~585) 229-5161

- (b) Within forty-eight (48) hours, or two Business Days, whichever is later from the day of receipt of a complaint, Seller will respond initially to the complaint and Seller shall respond in writing within thirty (30) days advising Customer or potential Customer of the disposition of the complaint.

2.7 Information: Any person may request information on the pricing or other terms of Storage Service and/or capacity availability by contacting Seller at the following:

Compliance
Honeoye Storage Company
Attn: ~~Vice President of Operations~~Manager of Marketing and
4511 Egypt Road
Canandaigua, NY 14424
(~~716~~585) 229-5161

2.8 Relationship with Marketing Affiliates:

- (a) Seller has affiliates that engage in marketing functions as defined in Part 358 of the Federal Energy Regulatory Commission's regulations.
- (b) Seller is not a transmission provider as defined in Part 358 of the Commissions regulations.
- (c) ~~1~~Seller is exempt from the Standards of Conduct under Part 358 of the Commission's Regulations.

2.9 ~~Electronic Bulletin Board~~Informational Postings Website:

- (a) Seller will maintain an interactive ~~EBB~~informational postings website for the use of its Customers and prospective Customers interested in obtaining information about available storage service. Seller's ~~EBB~~website will provide all information required to be posted thereon under regulations of the FERC, together with such additional information as Seller considers appropriate.
- (b) Information posted on Seller's ~~EBB~~website will include the following:
 - (1) Firm and interruptible storage, parking and lending service currently available from Seller.
 - (2) Injection and withdrawal capacity currently available.

- (3) Firm and recallable capacity released by FSS Customers or Replacement Customers pursuant to Section 4 of the General Terms and Conditions and currently available for allocation.
- (4) Firm capacity that is currently available or will become available by reason of the termination of an FSS service agreement
- (5) Currently operative offers to purchase capacity tendered pursuant to Section 4 of the General Terms and Conditions.

- |
- (c) With respect to each category of information posted on Seller's ~~EBB~~website, Seller shall also include relevant information pertaining to the minimum rate at which capacity is offered to Customers and Replacement Customers, any restrictions, terms, or condition imposed on the reallocation of released capacity by the Customer or Replacement Customer releasing that capacity (including the name of any Replacement Customer designated by the Releasing Customer), and the terms and conditions upon which offers to purchase capacity have been tendered.

4. NOMINATIONS, SCHEDULING AND ALLOCATION

4.1

- (a) **Nominations.** Seller will accept nominations for storage service as provided herein. A valid nomination is a data set which contains, at a minimum, the mandatory data elements included in the NAESB Standards related to nominations, and any additional Seller-required data elements. All Standard and Intra-Day Nominations for service shall be made via Seller's EDM as approved by the Commission. Seller will accept nominations via mail, fax, courier service or personal delivery. Seller will support the receipt of nominations, via the methods listed above, and EDM in a manner designed to enable Customers to submit nominations seven days a week, twenty-four hours a day.

Each nomination shall indicate whether it is being submitted as a Standard or Intra-Day Nomination. The standard quantity for nominations, for confirmations and scheduling, in the United States, shall be dekatherms per Day.

Customer may use an agent to provide all or a portion of its nomination data, provided that Seller is so advised in advance in writing. A Customer that uses an agent for such nomination purposes shall hold Seller harmless for all actions or inactions of its agent.

- (b) **Standard Nominations.** A "Standard Nomination" is a nomination for storage service for any Day. The Standard Nomination shall include a begin date and end date, which must be within the term of the Customer's service agreement. Each day within a date range nomination is considered an original nomination. Subsequent nominations for one or more days within the range supersede only the days specified. The days outside the range of the subsequent nominations are unaffected. Nominations have a prospective effect only, provided that Seller and Customer may agree to permit nominations to have a retroactive affect only if operating conditions permit Seller to permit such nominations without adversely affecting other Customers or Seller. Seller shall process all new or revised nominations that are submitted by 11:30 a.m. Central Clock Time and received by 11:45 a.m. Central Clock Time on the Day before the applicable Service Day. Customer may nominate zero (0) for a daily quantity, but in the event Customer nominates a daily quantity in excess of zero (0), such daily quantity shall not be less than five-hundred (500) Dth. Customer shall also inform Seller in advance of each Month of the desired order of priority of injections and withdrawals under each Agreement and Seller may rely thereon (or in the absence of such information, upon Seller's judgment) if allocation under such Agreement is required.

- (c) Standard Nominations Timetable. The timetable for a Standard Nomination shall be as follows on the Day before a Service Day, Central Clock Time

1:00 p.m. for nominations leaving control of Customer;

1:15 p.m. for receipt of nominations by Seller;

1:30 p.m. for Seller to send quick response for nominations submitted via EDM;

4:30 p.m. for Seller to receive completed confirmations from connected parties;

5:00 p.m. for Customer and Operators to receive scheduled volume information from Seller.

In addition, at the end of each Day, Seller shall provide Customer the final scheduled quantities for the just completed Day. Seller will send an end of Day Scheduled Quantity document. Recipients of the end of Day Scheduled Quantity document can waive the obligation of Seller to send the Scheduled Quantity document.

Seller, as receiver of nominations, initiates the confirmation process. The party receiving a request for confirmation or an unsolicited confirmation response may waive the obligation of the Seller to send. The sending party will adhere to nomination, confirmation and scheduling deadlines. The party receiving the communication shall have the right to waive any deadline, on a non-discriminatory basis.

- (d) Other Nominations. Seller may, at its option, accept nominations which are not timely as described above. In that event, Seller shall not be required to comply with the Standard Nomination timeline set out above.

4.2

- (a) Intra-Day Nominations. Any nomination submitted after the standard nomination deadline, by eligible Customers, shall be an "Intra-Day Nomination." An Intra-Day Nomination shall be effective for one (1) Day only. Intra-Day Nominations may be used to nominate new injection or withdrawals. The nomination process set forth in Section 4.1(a) shall apply to the Intra-Day nominations. An Intra-Day quantity shall be a revised daily quantity.

- (1) Timetables for Intra-Day Nominations shall be as follows:

- (a) Evening Nomination Cycle: shall be as follows on the Day before a Service Day, Central Clock Time:

6:00 p.m. for nominations leaving control of Customer;

6:15 p.m. for receipt of nominations by Seller,

6:30 p.m. for Seller to send quick response for nominations submitted via EDM;

8:30 p.m. for Seller to receive completed confirmations from connected parties;

9:00 p.m. for Customer and operators to receive scheduled volume information from Seller and to provide scheduled quantities to bumped parties (notice to bumped parties).

9:00 a.m. for flow of gas.

- (b) Intra-Day 1 Nomination Cycle: shall be as follows on the Service Day, Central Clock Time:

10:00 a.m. for nominations leaving control of Customer;

10:15 a.m. for receipt of nominations by Seller;

10:30 a.m. for Seller to send quick response for nominations submitted via EDM;

12:30 p.m. for Seller to receive completed confirmations from connected parties;

1:00 p.m. for Customer and operators to receive scheduled volume information from Seller and to provide scheduled quantities to bumped parties (notice to bumped parties);

2:00 p.m. for flow of gas.

- (c) Intra-Day 2 Nomination Cycle: shall be as follows on the Service Day, Central Clock Time:

2:30 p.m. for nominations leaving control of Customer;

2:45 p.m. for receipt of nominations by Seller;

3:00 p.m. for Seller to send quick response for nominations

submitted via EDM;

5:00 p.m. for Seller to receive completed confirmations from connected parties;

5:30 p.m. for Customer and operators to receive scheduled volume information from Seller and to provide notice to bumped parties;

6:00 p.m. for flow of gas.

- (d) Intra-Day 3 Nomination Cycle: shall be as follows on the Service Day, Central Clock Time:

7:00 p.m. for nominations leaving control of Customer;

7:15 p.m. for receipt of nominations by Seller;

7:30 p.m. for Seller to send quick response for nominations submitted via EDM;

9:30 p.m. for Seller to receive completed confirmations from connected parties;

10:00 p.m. for flow of gas. Bumping is not allowed during the Intraday 3 Nomination Cycle.

10:00 p.m. for Customer and operators to receive scheduled volume information from Seller and to provide notice to bumped parties;

- (e) For purposes of Section 4.2(a)(1)(a), (b), (c) and (d) "provide" shall mean, for transmittals pursuant to NAESB Standards, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

An Intra-Day Nomination is subject to operator's confirmations and Seller's operating conditions. If operator confirmation is not received, the Intra-Day Nomination will not be accepted. Seller will not accept a reduced Intra-Day Nomination for any quantity deemed already delivered based on an average hourly flow, provided that Seller and Customer may permit such reduced intra-day nominations only if operating conditions permit Seller to permit such nominations without adversely affecting other Customers or Seller.

- (b) For purposes of providing notice of any nomination changes to a Customer and/or Customer's agent, Seller shall contact either party by telephone or other instant communication device. With respect to changes initiated by Seller, if a Customer so elects, such Customer may provide a telephone number and Seller will contact Customer at such phone number to alert Customer that a change has been made; provided that where an interruptible Customer's nomination is bumped by a firm Customer's Intra-Day Nomination, Seller shall provide notice of such bump to the interruptible Customer in the same manner that Seller uses to notify Customers of OFOs.

4.3 Scheduling of Storage and Allocation of Service. For each Day, Seller will schedule injections and withdrawals of Gas, on the basis of: storage nominations made by Customers (which Seller is hereby authorized to rely upon in its scheduling); storage capacity available on Seller's system in light of nominations and requests; and overall operating conditions from time to time. If, on any Day, Seller determines that the capacity of its system is insufficient to serve all storage nominations scheduled for such Day, or to accept the quantities of Gas ~~tendered~~Tendered, capacity shall be allocated to provide service in the following order:

- (a) In scheduling deliveries of firm storage nominations on any Day when capacity is constrained, Seller shall allocate service on a pro rata basis to those Customers nominating volumes on such Day based upon such Customer's contracted daily injection or withdrawal volumes as a fraction of the contracted daily injection or withdrawal volumes of all Customers nominating volumes on such Day.
- (b) In scheduling nominated quantities for Priority Non-Firm or Interruptible Storage Services hereunder, after providing for Firm Storage Service, Seller shall utilize the priorities established in Section 10 of these General Terms and Conditions, provided however that no Priority Non-Firm or Interruptible Customer shall have a claim of priority on any Day to quantities in excess of the lesser of (1) such Customer's Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity as applicable or (2) such Customer's nomination.

4.4 Delivery of Gas. Seller, subject to the other provisions hereof, shall make daily delivery, to the extent practicable, of Equivalent Quantities of Gas at the Point of

Injection/Withdrawal in accordance with Seller's scheduled deliveries.

- 4.5 Hourly Variation. Injections and withdrawals shall be made at uniform hourly rates to the extent practicable.
- 4.6 Limitation on obligation. Should the quantities of Gas received from Customer(s) by Seller at the Point of Injection/Withdrawal exceed the Maximum Daily Injection Quantity plus the Seller's Injection Use, Seller shall notify Customer(s) of such fact within a reasonable time after such becomes known, and Customer(s) shall seek to reduce deliveries to Seller forthwith. In the event any such excess delivery would jeopardize the safety of Seller's operations and/or its ability to meet its contract commitments to others, such decisions being solely within the judgment and discretion of Seller, Seller shall have the right to refuse to accept, without any liability to Customer, or any other person, all or such part of said excess delivery as Seller deems necessary, and shall notify Customer accordingly.
- 4.7 Reduction in Maximum Storage Quantity. In the event that Customer nominates or utilizes less than 50% of its Maximum Storage Quantity under Rate Schedule ISS for a period of one (1) year, Seller may reduce Customer's Maximum Storage Quantity to 125% of the average utilization during such year, which new Maximum Storage Quantity, as applicable, shall be effective on the first Day of the Month following the Month in which Seller gives Customer notice of such reduction.

6. MEASUREMENT AND MEASUREMENT EQUIPMENT

6.1 Unit of Volume:

- (a) The unit of volume for measurement hereunder shall be one thousand cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit and an absolute pressure of fourteen and seventy-three ~~hundredths~~hundredths pounds per square inch, dry, (14.73 psia) having an average Total Heating Value per Cubic Foot of one thousand (1,000) Btus.
- (b) The Total Heating Value per Cubic Foot of the gas delivered and redelivered hereunder shall be determined by a recording calorimeter of standard manufacture or other method mutually acceptable to both Seller and Transporter, on Customer's behalf, and installed so that it may properly record the gross heat content of the gas at the Point of Injection/Withdrawal. Where a calorimeter is used, the arithmetical average of the hourly gross heat content recording each day shall be deemed to be the heat content of the gas for that day. Such Calorimeter shall be checked at least once each month to assure its proper operation and accuracy. An appropriate certified gas sample of known heat content shall be used to check the calorimeter accuracy.

6.2 Computations of volume from Meter Readings and Registrations: The volume of gas delivered or redelivered hereunder shall be determined in the manner specified in AGA Gas Measurement Committee report No. 3 ("AGA report No. 3") published in 1978, as such publication may be revised from time to time, or of other reports and publications which are mutually acceptable to Seller and Transporter, on Customer's behalf.

6.3 Flowing Temperature: The flowing temperature of gas delivered and redelivered hereunder shall be determined by means of a standard recording thermometer or other instrument of standard manufacture accepted in the industry. The flowing temperature used in determining the flowing temperature factor for each meter chart shall be the arithmetical average of the temperature shown by the recording instrument during the period of time when gas is passing through the meter.

6.4 Specific Gravity: The specific gravity of the gas delivered and redelivered hereunder shall be determined by a recording specific gravity instrument of standard manufacture or other method mutually acceptable to Seller and Transporter, on Customer's behalf, and installed so that it may properly record the specific gravity of the gas at the point of delivery. The arithmetical average of the hourly specific gravity recording each day shall be deemed to be the specific gravity of the gas for that day. Such instrument shall be checked by the use of an Edwards Balance, or by any other method, at intervals mutually agreed to by Seller and Transporter, on Customer's behalf.

- 6.5 Supercompressibility: Adjustment for the effect of supercompressibility for gas delivered and redelivered hereunder shall be made according to the provisions of AGA Report NX-19 as such publication may be revised from time to time, or of other reports and publications which are mutually acceptable to Seller and Transporter, on Customer's behalf, for the average conditions of pressure, flowing temperature and specific gravity at which the gas was measured during the period under consideration and with the proportionate values of carbon dioxide and nitrogen in the gas delivered and redelivered included in the computation of the applicable supercompressibility factors. Customer shall cause Transporter to exercise due diligence in obtaining initial carbon dioxide and nitrogen fraction values and to obtain subsequent value of these components quarterly or at other intervals mutually agreeable to Seller and Transporter, on Customer's behalf.
- 6.6 Assumed Atmospheric Pressure: The average absolute atmospheric (barometric) pressure shall be assumed to be fourteen and four-tenths pounds per square inch (14.4 psia) irrespective of actual elevation or location of the point of delivery above sea level or variations in actual barometric pressure from time to time.
- 6.7 Measuring Equipment: Unless otherwise agreed among Customer, Transporter, and Seller, the gas which Customer delivers or causes Transporter to deliver to Seller for storage hereunder and which Seller redelivers to Transporter for the account of Customer shall be measured by measuring equipment which Customer shall cause Transporter to own, install and operate at the Point of Injection/Withdrawal. Customer shall cause the measuring equipment to be of one-way flow design and of a type and kind generally accepted by the natural gas industry for the measurement of natural gas in accordance with the provisions of this Article hereof at the rates of flow and pressures expected to exist at the Point of Injection/Withdrawal. When orifice meters are used, they shall be of a type specified and recommended in AGA Report No. 3 as such publication may be revised from time to time or of other reports and publications which are mutually agreeable to Seller and Transporter, on Customer's behalf, and the construction and installation shall be in accordance with the recommendations and specifications set forth in said agreed to report.
- 6.8 Access to Measuring Equipment, Tests and Charts: Unless otherwise agreed among Customer, Transporter, and Seller, Customer shall cause Transporter to provide Seller with access to all measuring equipment at all reasonable hours, but the reading, calibrating and adjusting hereof and the changing of charts or such other measuring equipment shall be done by Transporter on behalf of Customer. Further, Customer shall cause Transporter to provide Seller the right to be present at the time of any installing, testing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the measuring equipment used in determining the volumes of deliveries and redeliveries hereunder, and to provide Seller with reasonable notice thereof in order that it may be present. The records and charts from such measuring equipment shall remain the property of Transporter but Customer shall cause Transporter to

provide, upon request, to Seller such records and charts, or reproductions thereof, together with calculations therefrom for inspection and verification. Original records or charts so submitted will be returned within thirty (30) days after receipt thereof. Additionally, Customer shall cause Transporter to give Seller the option to install at any time and at its own expense, such ancillary materials and equipment which will access measurement data on a real time basis and transmit such data to its operating location.

- 6.9 Check Measuring Equipment: Unless otherwise agreed among Customer, Transporter, and Seller, Customer shall cause Transporter to allow Seller to install, maintain and operate, at its own expense, such check measuring equipment as it shall desire at the Point of Injection/Withdrawal, and further cause Transporter to provide a suitable site therefore and allow Seller free access to and use of the site; provided that such equipment shall be so installed, maintained and operated as not to interfere with the operation or maintenance of Transporter's measuring equipment at the Point of Injection/Withdrawal. Customer or Transporter shall have free access to the check measuring equipment at all reasonable hours. The reading, calibrating and adjusting thereof and the changing of charts shall be done by Seller, but Customer or Transporter shall be given reasonable notice thereof. Customer shall cause Transporter to allow Seller to remove any of Seller's equipment at any time. It is expressly agreed that Customer or Transporter shall not be responsible or liable for the care or maintenance or for damage, unless due to the negligence of Customer and/or Transporter, to or regarding such check measuring equipment installed by or on behalf of Seller.
- 6.10 Failure of Measuring Equipment: Seller and Customer agree that if for any reason Transporter's measuring equipment is out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading thereof, the gas delivered during the period such measuring equipment is out of service or out of repair shall be estimated and agreed upon on the basis of the best data available, using the first of the following methods which is feasible:
- (a) by using the registration of any check meter or meters if installed and accurately registering; or
 - (b) by using the registration of any storage field meter(s) if installed and accurately registering; or
 - (c) by correcting the error if the percentage or error is ascertainable by calibration, test or mathematical calculation; or
 - (d) by estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the measuring equipment was registering accurately.

- 6.11 Reasonable care shall be exercised in the installation, maintenance and operation of the measuring equipment so as to avoid any inaccuracy in the determination of the volume of Gas injected and withdrawn. The accuracy of all measuring equipment shall be verified by operator at reasonable intervals, and if requested, in the presence of representatives of the other party, but neither Seller nor Customer shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period.

If either party at any time desires a special test of any measuring equipment, it will promptly notify the other party and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. Transportation and related expenses involved in the testing of meters shall be borne by the party incurring such expenses.

The operator, for purposes of this section, shall be the owner of the equipment referenced herein, or the agent of such owner, or such other person as the parties may agree in writing.

- 6.12 Correction of Measuring Equipment Errors: unless otherwise agreed among Customer, Transporter, and Seller, Seller and Customer agree that if upon any test, Transporter's measuring equipment is found to be not more than two percent (2.0%) fast or slow, previous readings of such equipment shall be considered correct in computing the deliveries of gas, but such equipment shall be adjusted properly at once to record accurately. Seller and Customer further agree that if upon any test, Transporter's measuring equipment shall be found to be inaccurate by any amount exceeding two percent (2.0%), then any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but if the period is not known definitely or agreed upon, such correction shall be for a period covering the last half of the time elapsed since the date of the last test.
- 6.13 The parties agree to preserve for a period of at least three (3) years or such longer period as may be required by public authority, all test data, charts, if any, and other similar records.
- 6.14 In accordance with the provisions of this Section 6 of the General Terms and Conditions, Seller will use the best information available to ~~close~~make its allocation of quantities ~~for~~upon the close of a service Month. For the purposes of this Section, ~~6~~, "close" shall mean five (5) Business Days after the applicable service Month. To the extent that adjustments are made after the date of such close, such adjustments ("Prior Period Adjustments" or "PPA") shall be treated under this Section 6.14. If the PPA are due to the correction of measurement data or reallocation of volumes, such adjustments should be processed within six (6) Months of the applicable service Month. If the affected party disputes the as-adjusted quantity it is entitled to rebut the basis for the PPA, but only if it does so within three (3) Months of the processing of the as-adjusted quantity.

Notwithstanding the above specified deadlines for processing/rebutting PPA, such deadlines shall not apply in the case of deliberate omission or misrepresentation or mutual mistake or fact. Parties' other statutory or contractual rights shall not be diminished by this standard.

- 6.15 Improvements in Gas Measuring Techniques: If, at any time during the term hereof, a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted upon mutual agreement of Seller and Transporter on Customer's behalf.

7. QUALITY

- 7.1 Heat Content. Heat content shall mean the gross heating value per cubic foot of Gas received or delivered hereunder. Such Gas shall have a heat content not less than 967 BTU per cubic foot nor more than 1100 BTU when determined on a dry basis. Seller shall have the right to waive such BTU content limits if, in Seller's sole opinion, Seller is able to accept Gas with a BTU content outside such limits without affecting Seller's operations.

For the purpose of calculating injections and withdrawals, the heat content of the Gas so determined at each such point shall be deemed to remain constant at such point until the next determination. The unit of quantity for the purpose of determining total heating value shall be one (1) cubic foot of anhydrous Gas at a temperature of sixty degrees (60) Fahrenheit and an absolute pressure of 14.73 psia, dry.

- 7.2 Freedom from ~~objectionable~~Objectionable Matter. The Gas injected and withdrawn hereunder:

- (a) shall be commercially free, at prevailing pressure and temperature in Seller's equipment and facilities, from objectionable odors, dust or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment and facilities of Seller.
- (b) shall not contain more than twenty (.20) grains of hydrogen sulfide per one hundred (100) cubic feet of Gas, as determined by methods prescribed in Standards of Gas Service, Circular of the National Bureau of Standards, No. 405, page 134 (1934 edition), and shall be considered free from hydrogen sulfide (H_2S) if a strip, of white filter paper, moistened with a solution containing five percent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution, after the first paper has been exposed to the Gas for one and one-half (1-1/2) minutes in an apparatus of approved form, through which the Gas is flowing at the rate of approximately five (5) cubic feet per hour, the Gas from the jet not impinging directly upon the test paper; or the H_2S content may be determined by an instrument of approved type and by approved methods agreeable to the parties;
- (c) shall not contain more than twenty (20) grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) cubic feet of Gas;
- (d) shall not at any time have an oxygen content in excess of two-tenths of one percent (0.20%) by volume and every reasonable effort to keep the Gas free of oxygen;

- (e) shall not contain more than four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed three (3%) by volume.
- (f) shall have a temperature of not more than one hundred twenty degrees (120°) Fahrenheit;
- (g) shall have been dehydrated for removal of entrained water present therein in a vapor state, and in no event contain more than seven (7) pounds of entrained water per million cubic feet, at a pressure base of fourteen and seventy three hundredths (14.73) pounds per square inch and a temperature of sixty degrees (60°) Fahrenheit as determined by dew-point apparatus approved by the Bureau of Mines or such other apparatus as may be mutually agreed upon.
- (h) shall not contain polychlorinated biphenyls.

In the event Transporter is granted authority by the FERC to change the quality specifications set forth in its transportation tariff in a manner which materially differs from the quality specifications set forth in this tariff, then Seller agrees to waive the affected quality specifications of this tariff and to apply the approved quality specifications of the Transporter's tariff in substitution thereof. Customer shall notify Seller, in writing, within ten (10) days of approval by the FERC of any such changes to Transporters tariff.

- 7.3 Failure to Meet Specifications. Should any Gas Tendered for injection or withdrawal hereunder fail at any time to conform to any of the specifications of this Article, the affected party shall notify the other party of any such failure and the affected party may at its option suspend all or a portion of the receipt of any such Gas, and shall be relieved of obligations hereunder for the duration of such time as the Gas does not meet such specifications.
- 7.4 Notwithstanding anything herein contained to the contrary, if the gas delivered or redelivered hereunder fails at any time to conform to any of the specifications of this Article, including, but not limited to, failure at any time to have a Total Heating Value per Cubic Foot of at least nine hundred and sixty-seven (967) Btus, the party to whom such gas is being delivered or redelivered may notify the other party of such failure and may, at its option, reject further deliveries or redeliveries until the condition is corrected. Customer therefore authorizes Seller to refuse to accept deliveries from Transporter which do not conform to the specifications of this Article unless and until said deliveries are, in Seller's sole opinion, conformed to said standard. After receiving a notice hereunder, the party responsible for such failure shall immediately take all necessary steps to correct the condition and, upon completion thereof, shall resume deliveries and redeliveries in accordance with the terms and conditions of this Agreement. The

remedies herein provided are in addition to any and all other remedies to which either party may be entitled.

- 7.5 Commingling. It is recognized that Gas delivered to Seller by Customer will be commingled with other Gas stored hereunder by Seller. Accordingly, the Gas of Customer shall be subject to such changes in heat content as may result from such commingling and Seller shall, notwithstanding any other provision herein, be under no obligation to withdraw for Customer's account, Gas of a heat content identical to that caused to be delivered by Customer to Seller.

8. BILLING AND PAYMENT:

8.1 Billing. On or before the ninth (9th) Business Day ~~of~~following each Month, Seller shall render, (for purposes of this Section 8 1, "render" shall mean (a) postmarked or (b) time stamped and electronically transmitted via EDM to the designated site, whichever is applicable) an invoice to Customer setting forth the amount due for such Month under the applicable Rate Schedule(s). Seller's invoice shall be based on actuals (if available) or best available data. Quantities at points where ~~OBA's~~OBA's exist shall be invoiced based on scheduled quantities. Seller may utilize estimates of the quantity of Gas received for injection from or Tendered to or for account of Customer during a Month, in place of actual quantities when actual quantities are not reasonably available; provided that adjustments shall be made in later invoices for differences between such estimated and actual quantities. Such invoice shall include credits for capacity assignment required by Section 7 of Rate Schedule FSS, if any.

When information necessary for invoicing purposes is in the control of Customer, Customer shall furnish such information to Seller on or before the third (3rd) Day ~~of~~following the Month.

Both Seller and Customer have the right to examine at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any invoice, charge or computation made under or pursuant to any of the provisions hereof.

8.2 Payment. Customer shall pay any invoice, on or before the tenth (10th) Day after the date of the invoice. Payments by Customer to Seller shall be made in the form of Wire Transfer directed to a bank account designated by Seller, unless otherwise agreed to by the parties. Customer shall identify the invoice number specified by Seller to which the payment relates. If Customer submits payment different from the invoiced amount, remittance detail must be provided with payment.

If rendition of an invoice by Seller is delayed after the ninth (9th) Business Day ~~of~~following the Month, then the time of payment shall be extended accordingly unless Customer is responsible for such delay. Should Customer fail to pay all of the amount of any invoice as herein provided when such amount is due, interest on the unpaid portion of the invoice shall accrue from the due date until the date of payment at a rate of interest equal to the prime rate plus two percent (2%) charged by ~~TD~~-Bank of New York Mellon, or any such successor bank as may result from a purchase or merger of ~~TD~~-Bank of New York Mellon, to responsible commercial and industrial borrowers, but which in no event shall be higher than the maximum rate permitted by applicable law. If such failure to pay continues for a period of thirty (30) days from the date of the original invoice, then Seller shall have the right to temporarily suspend service, then following thirty (30) Days prior written notice from Seller of its intent to abandon service under the Agreement, Customer shall be deemed to have consented to such

abandonment of service, unless within the thirty (30) Day period Customer pays to Seller the entire balance due with interest, and Seller, in addition to any other remedy it may have hereunder, may suspend further injection or withdrawal of Gas for Customer and may enter into Agreements to provide service to others using Customer's capacity and deliverability; provided, however, that if Customer in good faith shall dispute the amount of any such invoice or part thereof and shall pay to Seller such amounts not in dispute, accompanied by documentation supporting the basis for the dispute and, at any time thereafter within thirty (30) Days of a demand made by Seller, shall furnish a good and sufficient surety bond in an amount and with surety satisfactory to Seller or other assurance acceptable to Seller, guaranteeing payment to Seller of the amount ultimately found due upon such invoice after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Seller shall not be entitled to suspend further service or to terminate or abandon service under the Agreement unless and until default be made in the conditions of such bond. The foregoing shall be in addition to any other remedies Seller may have, at law or in equity, with respect to ~~Customer's~~Customer's failure to pay the amount of any invoice, including, but not limited to, the imposition of carrier liens on gas stored by Honeoye, provided such imposition of carrier liens is permitted under the laws of New York.

- 8.3 Adjustment of Invoicing Errors. Subject to the provisions of Section 6 of these General Terms and Conditions, if it shall be found that at any time or times Customer has been overcharged or undercharged and Customer shall have actually paid the invoice containing such charges, then within thirty (30) Days after the final determination thereof, either Seller shall refund the amount of any such overcharge or Customer shall pay the amount of any such undercharge. In the event an error is discovered in the amount invoiced in any invoice rendered by Seller, such error shall be adjusted within thirty (30) Days of the determination thereof, provided that claim therefor shall have been made within thirty (30) Days from the date of discovery of such error, but in any event within six (6) Months from the date of such invoice. The party receiving such request for adjustment shall have three (3) Months to rebut such claim; otherwise the invoice shall be adjusted as requested. The preceding time limits do not apply to deliberate omission or misrepresentation or mutual mistake of fact or government required rate changes. The parties' statutory or contractual rights shall not otherwise be diminished by this Section. If the parties are unable to agree on the adjustment of any claimed error, any resort by either of the parties to legal proceedings shall be commenced within fifteen (15) Months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred.

8.4 BILLING ADJUSTMENT FOR RATE SCHEDULE WITHDRAWAL
PENALTY AND/OR SALE OF WORKING STORAGE GAS.

- (a) Billing Adjustment. A billing adjustment shall be made to non-offending Customers' bills crediting all revenues collected by Seller, net of costs, as

a result of gas left in storage after termination of FSS, PNFSS, ISS, ~~OR~~ or PAL storage service agreements and or Late Withdrawal Rate collected pursuant to FSS, PNFSS, ISS, or PAL storage service agreements. A pro rata allocation pursuant to this Section 8.4 of such revenue will be credited to each non-offending Customer, and will appear on the invoice for the next Month's business following actual receipt by Seller of such revenues. Seller shall have ninety (90) Days from the end of the Month, in which such Penalty Gas was retained, to sell the Penalty Gas or, if authorized to purchase the Penalty Gas for use as cushion gas. The Penalty Gas shall be sold as near as practical to the ~~marker~~market rate existing at the time the Penalty Gas is sold. If sale of Penalty Gas is made to an affiliate of Seller or purchased by Seller, Seller shall sell or purchase such Penalty Gas at no less than the ~~Niagra~~Niagara spot market price on the Day of such sale.

- (b) Allocation Base. Customers will receive a pro rata allocation of net penalty revenue, based upon the following allocation base:
- (1) Non-offending Rate Schedule FSS or PNFSS Customers: The Maximum Storage Quantity such Customers had a right to store in the Month Withdrawal Penalty invoked; and
 - (2) Non-offending Rate Schedule ISS or PAL Customers: The Average Monthly Storage Volume the Customer stored in the Month Withdrawal Penalty invoked.
- (c) Monthly Credit. Each Customer will receive a Monthly Credit based upon the formula
- $$X (Y / Z), \text{ where:}$$
- X = Total net Penalties collected by Seller in a Month
Y = The Customer's allocation base derived in accordance with Section 8.4(b) above; and
Z = The Sum of all of Customers' allocation bases derived in accordance with Section 8.4(b) above.

8.5 INVOICING OF PRODUCER CERTIFIED GAS CUSTOMERS.

- (a) Producer Certified Gas ("PCG") Invoicing Option. This PCG Invoicing Option is available to Customers who are customers of Tennessee Gas Pipeline Company, L.L.C.'s ("Tennessee") and have met the requirements as determined by Tennessee to utilize the Producer Certified Gas Pooling Service Option under Tennessee's Rate Schedule SA (each such Customer a "Tennessee PCG Customer").
- (b) Creation, Tracking of PCG Account. To utilize the PCG Invoicing Option, a Tennessee PCG Customer who has provided notice pursuant to

paragraph (d) below may notify Seller through Seller's EBB or other agreed upon method that with respect to a scheduled and confirmed injection into Seller's facilities that all or a portion of such injection is Gas that has been certified pursuant to Tennessee's Rate Schedule SA ("PCG Designated Gas"). Seller will maintain records of amounts in Dekatherms of such PCG Designated Gas held in storage for each Customer. A Customer's PCG Designated Gas amount may not exceed its Maximum Storage Quantity, and a Customer may not credit its account of PCG Designated Gas on a Day by amounts beyond its scheduled and confirmed injection quantities pursuant to its Agreement for such Day. A Tennessee PCG Customer with a positive PCG Designated Gas account balance may notify Seller pursuant to this Section 8.5 that with respect to a scheduled and confirmed withdrawal from Seller's facilities on a Day, that all or a portion of such withdrawal shall be debited against amounts of PCG Designated Gas credited on its behalf. A Customer may not maintain a negative balance of PCG Designated Gas, and a Customer may not debit its account of PCG Designated Gas on a Day by amounts beyond its scheduled and confirmed withdrawal quantities pursuant to its Agreement for such Day. With respect to a scheduled and confirmed flows on a given Day, Tennessee PCG Customer shall provide notice to Seller of amounts of PCG Designated Gas by 9:00 a.m. Central Clock Time at the end of the Gas Day.

- (c) Fuel and Other Charges; Effect on Obligations. The invoicing herein of PCG Designated Gas shall not relieve Tennessee PCG Customer of any obligations, including without limitation fuel charges, use charges, or other charges in the Agreement. Thus, it is Customer's obligation to schedule and store sufficient Gas to maintain its accounting of PCG Designated Gas. The invoicing of PCG Designated Gas shall not have any effect on a Tennessee PCG Customer's contract, or its contract quantities under its Agreement, nor shall it impose any obligation of service upon Seller beyond invoicing of PCG Designated Gas as described in this Section 8.5. Tennessee PCG Customer indemnifies and holds Seller harmless for any claims related to or arising from the transfer or certification of PCG Designated Gas.
- (d) Invoicing. Upon written notice by a Tennessee PCG Customer that it desires to utilize the PCG Invoicing Option, Seller will include in such customer's invoice rendered pursuant to Section 8.1 of these General Terms and Conditions a statement of the amounts of PCG Designated Gas held in storage for such customer for each Month thereafter, including new credits and debits for the Month.
- ~~(a)~~(e) Records. Records related to accounting and invoicing under the PCG Invoicing Option will be maintained in a manner consistent with other Customer billing records.

9. FORCE MAJEURE

- 9.1 Definition. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms (including but not limited to tornadoes or tornado warnings), crevasses, floods, washouts; arrests and restraints of the government, either Federal or State, civil or military or civil disturbances. Relative to Seller's service and solely to the operation of its system, force majeure shall also mean shutdowns for purposes of necessary repairs, relocation, or construction of facilities; breakage or accident to machinery, wells or lines of pipe or casings; testing (as required by governmental authority or as deemed necessary by Seller for the safe operation of the underground storage reservoir and facilities required to perform the service hereunder), the necessity of making repairs or alterations to machinery or lines of pipe; failure of wells, surface equipment or pipe lines, well or line freeze ups; accidents, breakdowns, inability to obtain necessary materials, or supplies or permits, or labor or land rights to perform or comply with any obligation or condition of this Agreement; and any other causes, whether of the kind herein enumerated or otherwise which are not reasonably in Seller's control. It is understood and agreed that the settlement of strikes or lockouts or controversies with landowners involving rights of way shall be entirely within Seller's discretion and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of Seller.
- 9.2 Force Majeure. If by reason of force majeure either party hereto is rendered unable, wholly or in part, to carry out its obligations under this Agreement, it is agreed that on such party giving notice in full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the cause relied on, the party giving such notice, so far as and to the extent that it is affected by such force majeure, shall not be liable in damages during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch. ~~Seller shall not be liable in damages to Customer other than for acts of gross negligence or willful misconduct and then only where force majeure does not apply.~~
- 9.3 Limitations. Such force majeure affecting the performance hereunder by either Seller or Customer, however, shall not relieve such party of liability in the event of concurring negligence or a failure to use due diligence to remedy the force majeure situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer, in whole or in part from its obligations to pay the monthly charges provided for in Section 8 of these General Terms and Conditions.

10. PRIORITY OF SERVICE REQUESTS AND SERVICE AGREEMENTS

10.1 Open Season.

- (a) Notice of open season. Prior to or upon the initial availability of FSS, PNFSS, ISS, and PAL services, Seller shall post notice of the open season on its EBB and informational postings website, at least one (1) day prior to the commencement of the open season. Such notice shall set forth when the open season begins and ends, where interested parties may submit requests for firm or interruptible services, the minimum rates Seller will accept for the available service, and how interested parties may obtain forms for requesting service and additional details about the open season. Upon the termination of FSS, PNFSS, ISS and/or PAL agreements Seller shall make further postings on its EBB and informational postings website of the available storage services.
- (b) Duration. The open season shall commence at the time and day specified and for the term indicated in the notice of open season. If, subsequent to an open season any firm capacity remains unsubscribed, Seller shall be permitted to enter into a service agreement with a qualified customer without the need to commence another open season. During this time Seller will accept requests for the service that is available.
- (c) Execution of agreements. A Customer allocated service in an open season shall be required to execute service agreement(s) for firm service within fifteen (15) days following the close of the open season; if the Agreement differs from Customer's request for service, or within ten (10) days if the agreement is identical to Customer's request for service, or forfeit the service that has been allocated to it.

10.2 Firm Storage

- (a) This section sets forth the procedure for allocating firm storage capacity that becomes available other than through Section 10.1, the Right of First Refusal procedure set forth in Section 10.2(b), or the capacity release provisions of Rate Schedule FSS. Firm storage capacity subject to the allocation procedure set forth herein includes any firm storage service that becomes available on Seller's system, now or in the future, including firm storage service performed under Part 157 for which abandonment authority has been sought or obtained. In the event that firm storage capacity becomes available on Seller's system, Seller shall post on its EBB and informational postings website all relevant terms and conditions pertaining to such capacity and will solicit bids for at least ten (10) business days. Seller shall evaluate and determine the best bid in a non-discriminatory manner designed to allocate the capacity to the customer who values it the most over the term selected by Seller. Notwithstanding

the foregoing, nothing herein shall require Seller to provide service at any rate that does not, in Seller's sole judgment, yield an acceptable return to Seller. Moreover, Seller shall not be required to enter into Service Agreements with terms of more than one year unless Customer has a long-term debt rating of at least Baa3 according to Moody's Investor Service or BBB- according to Standard & Poor's Corporation or unless all obligations to Seller are guaranteed by a person with a long term debt rating equal to or greater than that stated above. In the event two or more bids with equal economic values are received for combined capacity in excess of the quantity of available firm capacity, the capacity will be allocated ratably on the basis of the quantities bid.

b) Right of First Refusal:

Contractual Right of First Refusal at End of Contract Term. Seller may discontinue service to Customer at the end of a primary term of an FSS Agreement with a primary term beginning after April 1, 2007, unless (i) Seller and Customer mutually agree to a contractual right of first refusal, which shall be negotiated on a not unduly discriminatory basis, and (ii) Customer exercises its contractual right of first refusal for the capacity covered by the FSS Agreement by matching the terms offered to Seller for such capacity by any qualified prospective successor customer during an open season conducted in accordance with the General Terms and Conditions of Seller's currently effective tariff.

c) Exercise of Right of First Refusal

- (i) Not less than three (3) months prior to the termination or expiration of an FSS Agreement subject to a negotiated right of first refusal an open season will be held for the purpose of awarding the capacity that is to become available upon such FSS Agreement's termination or expiration. This open season will be conducted pursuant to the terms and conditions set forth in the General Terms and Conditions of Seller's currently effective tariff.
- (ii) Bids from qualified successor customers who desire, in whole or in part, the capacity to be made available upon the expiration or termination of such FSS Agreement must be received by Seller no later than thirty (30) days after commencement of the open season. Upon expiration of the open season, Seller will select the highest acceptable bid received from a qualified successor customer and, within three (3) Business Days of such selection, communicate the terms of the highest acceptable bid to the current capacity holder, who may elect, within ten (10) Business Days or such greater time as Seller may specify, to execute a renewal FSS Agreement upon the same terms, whether for a part or the entirety of the capacity

subject to the current holder's right of first refusal. The current capacity holder's right of first refusal under this Section shall attach irrespective of which party provides written notice of termination of the current capacity holder's existing Service Agreement. In determining which bid for the capacity is the highest, Seller will use the evaluation method specified in the notice of the open season posted on its Internet ~~Web site~~Website.

- (iii) If the current capacity holder does not elect to match the terms of such highest acceptable bid or the current capacity holder and Seller do not agree on terms ~~or of~~ service pursuant to Section 8.3 below, then its FSS Agreement will expire at the conclusion of its term and Seller will be deemed to have all necessary abandonment authorization under the NGA with respect to such service. Seller may enter into a new FSS Agreement with the qualified successor customer who submitted the highest acceptable bid.
- (iv) Seller shall retain the right to require a minimum rate, which shall be market-based, for bids during any such open season.

d) If during the open season, Seller receives no bids or rejects all bids, Seller will post the capacity as unsubscribed capacity and Seller and the current capacity holder may negotiate for continuation of service under mutually satisfactory rates, terms, and conditions. During such negotiations with the current capacity holder, or in the event that the current capacity holder declines to negotiate for continuation or service, Seller may also enter into negotiations with other potential Customers for services to commence upon the effective date of the termination of the current capacity holder's FSS Agreement. In no event, however, may the current capacity holder retain capacity subject to the right of first refusal at a rate lower than the highest rate contained in a bid, if any, that has been submitted for such capacity by a qualified prospective successor Customer during the open season but rejected pursuant to Section 10.2(c)(ii) of the General Terms and Conditions of Seller's currently effective tariff.

- (e) Priority of Firm Storage Under Agreements: All firm Storage Service Agreements under Rate Schedule FSS shall have equal priority as to service, and shall have priority over ~~interruptible~~Priority Non-Firm and Interruptible Storage Services under Rate Schedules PNFSS, ISS or PAL. Service under FSS, PNFSS, ISS, and PAL shall have priority over Overrun Service.

10.3 Priority Non-Firm, Interruptible and Overrun Storage

- (a) Priority of Nominations For Priority Non-Firm and Interruptible Service: Seller, in determining the allocation of interruptible service capacity on

any Day among Customers which have nominated quantities of service desired on such Day under Rate Schedules PNFSS, ISS or PAL shall be assigned the order of priority of such service on the basis that the highest rate offered for such service shall be accorded the highest priority. If more than one nomination or request for ~~interruptible storage, parking or lending~~Priority Non-Firm or Interruptible Storage Services under Rate Schedules PNFSS, ISS or PAL on a Day includes an offer of the same rate, then the order of priority as among such nominations or requests shall be the same, and if the available capacity is insufficient to provide the full level of service proposed in such nominations or requests, the service provided shall be allocated among such Customers pro rata based on the quantities nominated or requested.

- (b) A Customer desiring service under Rate Schedules PNFSS, ISS or PAL shall submit to Seller, at least one (1) business Day prior to the start of such service, the rate that such Customer is willing to pay for such service. The rate submitted by Customer pursuant to the above provision shall be used to determine priority among nominations on each Day. Once Customer's nomination is accepted, and priority is assigned thereto pursuant to this section, such priority shall not be changed by the execution of new PNFSS, ISS or PAL Agreements during the day for service under Rate Schedules PNFSS, ISS or PAL.
- (c) Notwithstanding the provisions of this Section 10.3, if a Customer under Rate Schedules PNFSS, ISS or PAL fails to submit a timely nomination for service for a Day, pursuant to the schedule for Standard Nominations under Section 4.1(c) of these General Terms and Conditions, for such service, then such Customer's priority for such service for that Day, shall be changed to a ranking below that of all other Customers who have made such timely nominations for service.

10.4 Overrun Service

All requests for overrun Service under Rate Schedules FSS, PNFSS, ISS or PAL shall rank in priority below requests for service that are within the Customers' respective Maximum Storage Quantities. If some, but not all, overrun service requests can be satisfied, the service shall be allocated pro rata to the Maximum Storage Quantities of the Customers requesting the overrun service.

10.5 Communications

In offering service from time to time pursuant to this Section 10, to a Customer under an Agreement, Seller may deem any offer made by telephone or other instant communication method to have been refused if acceptance thereof is not communicated to Seller within six (6) normal working hours after such offer, or as otherwise agreed to by the parties.

10.6 Extension of Service Agreements

Prior to the expiration of the term of a Service Agreement and prior to Honeoye posting the availability of capacity under this Section 10, Honeoye and Customer may mutually agree to an extension of the term of the Service Agreement (the exact length and terms of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner).

10.7 Early Termination of Service Agreements

Honeoye may, in a not unduly discriminatory manner, agree with Customer to terminate its Service Agreement prior to the expiration date if Customer and Honeoye enter into a financial settlement to pay an exit fee that is sufficient, taking into account the remaining term of the Service Agreement and the value and liquidity of the capacity subscribed under the Service Agreement being terminated or reduced, to make the termination or reduction financially beneficial in Honeoye's reasonable judgment.

An agreement to terminate a Service Agreement hereunder shall not constitute a material deviation from the applicable form of service agreement.

11. MISCELLANEOUS

- 11.1 Responsibility for Gas. Upon receipt of Gas to be stored Seller shall be in exclusive control and possession of such Gas, until the Equivalent Quantities of Gas have been delivered for the account of Customer after which Customer shall be in exclusive control and possession of such Gas.
- 11.2 Warranty. Customer or Replacement Customer warrants for itself, its successors, and assigns, that it has, or will have, at the time of delivery of the Gas for injection hereunder good title to such Gas and/or good right to cause the Gas to be delivered to Seller for Storage. Customer or Replacement Customer warrants for itself, its successors, and assigns, that the Gas it warrants hereunder shall be free and clear of all liens, encumbrances or claims, that it will indemnify and save Seller harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any and all persons to said Gas and/or to royalties, taxes, license fees, or charges thereon which are directly applicable to such delivery of Gas and that it will indemnify and save Seller harmless from all taxes or assessments which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.
- 11.3 Waivers. No waiver by either Seller or Customer of any one or more defaults by the other in the performance of any provisions hereunder shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character. Seller shall retain the right to waive, with respect to Customer, any Section of these General Terms and Conditions and Rate Schedules FSS, PNFSS, ISS, and PAL if Seller does so in a non-discriminatory manner.
- 11.4 Assignments. Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Customer or of Seller, as the case may be, shall if eligible be entitled to the rights and shall be subject to the obligations of its predecessor in title under the service agreement(s) between Seller and Customer. Either Seller or Customer may assign any of its rights or obligations under its service agreement(s) to a financially responsible corporation with which it is affiliated at the time of such assignment. Furthermore, Seller may, as security for its indebtedness, assign, mortgage or pledge any of its rights or obligations under its service agreement(s), including its rights to receive payments, to any other entity, and Customer will execute any consent agreement with such entity and provide such certificates and other documents as Seller may reasonably request in connection with any such assignment. Customer also may assign or pledge its service agreements under the provisions of any mortgage, deed of trust, indenture or similar instrument which it has executed or may hereafter execute covering substantially all of its properties. Otherwise, except as provided in Section 7 of Rate Schedule FSS, or except as mandated by Section 284.242 of the Regulations of the Commission, neither party shall assign its service agreement(s) or any of its rights thereunder unless it first

shall have obtained the consent thereto in writing of the other party.

11.5 Creditworthiness. Seller shall not be required to commence service or, subject to the following provisions, to continue to provide service and may terminate a Agreement with any Customer under Rate Schedule FSS and/or Service Agreements under Rate Schedules PNFSS, ISS, or PAL if:

- (1) Customer is or has become insolvent;
- (2) Customer has applied for bankruptcy under Chapter 11 of the Bankruptcy Code, or a similar state bankruptcy statute;
- (3) Customer, when requested by Seller to demonstrate creditworthiness, fails to do so in Seller's reasonable judgment, in light of previous payment experience and changes thereto and the prudent credit analysis of information available; provided, however, that any such Customer that is receiving service shall continue to receive service for a period of fifteen (15) Days after written notice by Seller of any such circumstance, and shall continue thereafter to receive service if, within such fifteen (15) Day notice period, such Customer:
 - (i) deposits with Seller and maintains, on account, an amount which would be due for three (3) Months service at the full contract quantities set forth in the Service Agreement; or
 - (ii) furnishes good and sufficient security, which may include an acceptable standby letter of credit, or monthly prepayment agreement or other security as reasonably determined by Seller, of a continuing nature and in an amount equal to such amounts which would be due for service. If such payment on account or payment security is not received within such fifteen (15) Day notice period, Seller may, without waiving any rights or remedies it may have, suspend further service for a period of ten (10) Days. If such payment on account or a payment security is not received within such ten (10) Day suspension period, then Seller shall no longer be obligated to continue to provide service to such Customer.

Seller shall not be required to commence service, or subject to the following provisions, to continue to provide service and may terminate a Service Agreement with any Customer under Rate Schedule FSS having a term of more than one year if Customer, or its guarantor, fails to maintain a long-term debt rating issued by either Moody's Investors Service, or Standard and Poor's Corporation, or Customer's, or its guarantor's, long-term debt rating issued by Moody's Investors Service or Standard and Poor's Corporation falls below a rating of at least Baa3 according to Moody's Investors Service or BBB- according to Standard & Poor's Corporation; provided, however, that any such Customer that is receiving service

shall continue to receive service for a period of thirty (30) days during which Customer shall have the ability to:

- (1) attain minimum long-term debt ratings as described above; or
- (2) secure a guarantee by a person with a minimum long-term debt rating as described above, provided further, if Customer should fail to meet the requirements set forth within the thirty (30) day period, Seller shall have the right to market the capacity underlying the Service Agreement(s) in question to other customers meeting the requirements as set forth herein.

- 11.6 Interpretation of Laws. Any Agreement shall be interpreted, performed and enforced in accordance with the laws of the State of New York.
- 11.7 Regulations. Any Agreement, and all terms and provisions herein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- 11.8 No Third-Party Beneficiary. It is expressly agreed that there is no Third-Party Beneficiary to any Agreement, and that the provisions of any Agreement and these General Terms and Conditions do not impart enforceable rights in anyone who is not a party or successor or assignee of any party to an Agreement herein.
- 11.9 Liability. ~~Neither~~Except as otherwise provided elsewhere in this tariff, neither Seller nor Customer shall in any event be liable to the other for any special, punitive, incidental, consequential,~~or indirect damages, whether arising in contract, or tort (including loss of profits), or indirect damages, whether arising in contract, or tort; provided, however, that the foregoing shall not limit Seller's liability, if any, to Buyer, nor Buyer's liability, if any, to Seller, arising out of gross negligence, willful misconduct, or bad faith actions; and provided further that nothing in this paragraph shall limit Seller's liability, if any, to Buyer, nor Buyer's liability, if any, to Seller, for direct damages.~~
- 11.10 Counterparts. Any Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
- 11.11 Heading. The headings contained in any Agreement are for reference purposes only and shall not affect the meaning or interpretation of any Agreement.
- 11.12 Seller has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 C.F.R. Section 284.12 (a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have

been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

<u>NAESB Standard</u>	<u>Tariff record</u>
1.3.2(i-vi)	12-GT&C Sec. 4 Nominations, Scheduling & Allocation
5.3.2	6-Rate Schedule FSS
5.3.44	6-Rate Schedule FSS

Standards Incorporated by Reference:

Additional Standards:

General:

Definitions:
0.2.5

Standards:
0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

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

Operating Capacity and Unsubscribed

Standards:
0.3.18, 0.3.20, 0.3.21, 0.3.22

Data Sets:
0.4.2; 0.4.3

Gas/Electric Operational Communications:

Definitions:
0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:
0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Location Data Download:

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

Data Set:
0.4.4

Storage Information

Data Sets:

0.4.1

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

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

Data Sets:

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

Flowing Gas Related Standards:

Principles (Optional):

2.1.1, 2.1.2, 2.1.3, 2.1.4, 2.1.5, 2.1.6

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.14, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Data Sets:

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

Invoicing Related Standards:

Definition:

3.2.1

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.14, 3.3.15, 3.3.16, 3.3.17, 3.3.18, 3.3.19, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26, 3.3.27

Data Sets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12, 4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38, 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50, 4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.62, 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.84, 4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106, 4.3.107, 4.3.108, 4.3.109, 4.3.110

Capacity Release Standards:

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

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

Data Sets:

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

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27, 10.3.28, 10.3.29

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

NAESB Standard

Waiver or Extension of Time

None

None

13. ELECTRONIC BULLETIN BOARD

Seller has established an EBB that will be available through subscription, to any existing or potential Customer on Seller's system. The EBB shall contain information relevant to the availability of capacity on Seller's system. The EBB will be provided ~~at~~via Internet at "www.honeoyestorage.com". Access is available to any party upon execution of an EBB Subscription Form; copies of the EBB Subscription Form are available on request by telephoning (~~716~~585) 229-5161. Seller shall notify Customer of any change to its EBB procedures. Seller may also charge a fee to users of the EBB to recover variable costs associated with the EBB.

Seller shall maintain daily backups of all storage transactional files and archive them for a period of three (3) years pursuant to Commission regulations, and shall allow any customer access to such historical information, for a reasonable fee, within a reasonable period of any such request.

15. TITLE TRANSFERS OF GAS IN STORAGE

15.1 A Customer may transfer Working Storage Gas to any other Customer under a Rate Schedule either firm or interruptible, if:

- (a) Both purchaser and seller of the Working Storage Gas provides Seller with verification of the transfer in writing; and
- (b) The transfer does not cause either Customer to exceed its Maximum Storage Quantity, as specified in the ~~Customers~~respective Customer's Service Agreement, and
- (c) The transfer does not impair Seller's current or future operations or cause Seller to curtail any current or future service to firm Customers or have an adverse financial impact on Seller.

15.2 Seller will recognize the transfer for purposes of computing available Working Storage Gas and applicable Injection and Withdrawal Quantities on a prospective basis within twenty-four (24) hours after receiving the written verification required by Section ~~4~~ 15.1(a).

17. System Inventory Management

In the event that Seller is required to buy or sell natural gas in order to manage its system, Seller may ~~post~~ its need to buy or sell gas on its ~~EBB~~informational postings website and EBB. Included in such posting shall be:

- (a) the quantity of gas to be sold or purchased;
- (b) any minimum quantity for bidding;
- (c) the date and time when all bids shall be due;
- (d) the date(s) when such gas shall be sold or purchased;
- (e) any minimum or maximum daily quantity to be sold or purchased;
- (f) the point where the gas will be sold or purchased; and
- (g) the criteria to be used by Seller in evaluating and selecting bids.

HONEOYE STORAGE CORPORATION

SERVICE REQUEST FORM

Send to: Honeoye Storage Corporation
4511 Egypt Road
Canandaigua, NY 14424

Date Received:

Attention: ~~Vice President of Operations~~ Manager of Marketing
and Compliance

~~Telecopier~~ Fax No.: 585-229-2015

Verification: 585-229-5161

NOTE: A check, if required by Section 2.1 of the General Terms and Conditions, must accompany each Storage Service Request to be valid.

INFORMATION REQUIRED FOR VALID STORAGE REQUEST

NOTE: ANY CHANGES IN THE FACTS SET FORTH BELOW, WHETHER BEFORE OR AFTER SERVICE BEGINS, MUST BE PROMPTLY COMMUNICATED TO SELLER IN WRITING.

1. Requestor: (Do not complete if same as Customer, See No. 3 below)
Requestor's Name: _____

2. Is Requestor affiliated with Seller? YES _____ NO _____

If yes, type of affiliation and the percentage of ownership between Seller and Requestor

3. Customer's Name and Address: (Note: The "Customer" is the party which proposes to execute the Storage Agreement with Seller).

Attention: _____ Telephone: _____

Fax No.: _____ Email address: _____

4. Is Customer affiliated with Seller? YES _____ NO _____
If yes, type of affiliation and the percentage of ownership between Seller and Customer

5. Customer is a(n): (Check One)
_____ Local Distribution Company _____ Producer
_____ Intrastate Pipeline Company _____ End-User
_____ Interstate Pipeline Company _____ Marketer/Broker
_____ Other (Describe) _____
6. Customer is Acting: (Check One)
_____ for Itself
_____ as Agent for _____
7. This request is for: (Check One)
_____ Firm Storage Service under Rate Schedule FSS
Maximum Daily Injection Quantity _____/Dth/d
Maximum Daily Withdrawal Quantity _____/Dth/d
_____ Priority Non-Firm Storage Service under Rate Schedule PNFSS
Maximum Daily Injection Quantity _____/Dth/d
Maximum Daily Withdrawal Quantity _____/Dth/d
Storage Overrun Quantity _____/Dth
_____ Interruptible Storage Service under Rate Schedule ISS
Maximum Daily Injection Quantity _____Dth/d
Maximum Daily Withdrawal Quantity _____Dth/d
Storage Overrun Quantity _____Dth
_____ Interruptible Parking and Lending Service under Rate Schedule PAL
Maximum Park Quantity _____/Dth
Maximum Loan Quantity _____/Dth
Maximum Daily Injection Quantity _____/Dth/d
Maximum Daily Withdrawal Quantity _____/Dth/d
PAL Overrun Quantity _____/Dth
8. Requested Maximum Storage Quantity _____ Dth
9. Point of Injection _____
10. Point of Withdrawal _____
11. Term of Service:
Date service is requested to commence: _____
Date service is requested to terminate: _____

(Unless otherwise agreed to by Seller, Agreements for FSS shall commence on April 1 and terminate on March 31 of any following year)

12. Rate Information:

Customer will agree to pay for service requested as follows:

FIRM STORAGE SERVICE (FSS)*

Deliverability Reservation Rate - Monthly	\$ _____	/Dth/mo
Capacity Reservation Rate- Monthly	\$ _____	/Dth/mo
Injection Rate	\$ _____	/Dth
Withdrawal Rate	\$ _____	/Dth
<u>Late Withdrawal Rate</u>	<u>\$ 1</u>	<u>/Dth/d</u>
Overrun Injection Rate	\$ _____	/Dth
Overrun Withdrawal Rate	\$ _____	/Dth

PRIORITY NON-FIRM STORAGE SERVICE (PNFSS)*

Priority Non-Firm Storage

Service Quantity Rate	\$ _____	/Dth/mo
Injection Rate	\$ _____	/Dth
Withdrawal Rate	\$ _____	/Dth
Late Withdrawal Rate	<u>\$ 1</u>	<u>/Dth/d</u>
Overrun Storage Commodity Rate	\$ _____	/Dth/d
<u>Overrun Injection Rate</u>	<u>\$ _____</u>	<u>/Dth/d</u>
<u>Overrun Withdrawal Rate</u>	<u>\$ _____</u>	<u>/Dth/d</u>

INTERRUPTIBLE STORAGE SERVICE (ISS)*

Injection Rate	\$ _____	/Dth
Withdrawal Rate	\$ _____	/Dth
Inventory Charge	\$ _____	/Dth/d
<u>Late Withdrawal Rate</u>	<u>\$ 1</u>	<u>/Dth/d</u>
Overrun Storage Commodity Rate	\$ _____	/Dth/d

INTERRUPTIBLE PARKING AND LENDING SERVICE (PAL)*

Interruptible PAL Charge	\$ _____	/Dth/d
Interruptible PAL Injection Charge	\$ _____	/Dth
Interruptible PAL Withdrawal Charge	\$ _____	/Dth
Interruptible PAL Overrun Charge	\$ _____	/Dth
<u>Interruptible PAL Late Withdrawal Rate</u>	<u>\$ 1</u>	<u>/Dth/d</u>

*All quantities of natural gas are measured in dekatherms (Dth). See individual rate schedules for applicable fuel charges or other charges.

13. Certified Statement:

By submitting this request, Customer certifies that customer has or will have by the time of execution of an Agreement with Seller, title to, or the legal right to cause to be delivered to Seller, for Storage, the gas which is to be stored and facilities or contractual rights which will cause such Gas to be delivered to and received from Seller. In the event Customer purchases Storage Overrun Quantity, Customer shall certify that Customer shall have such title to and rights to deliver gas to Seller upon the termination of the Storage Overrun Service in an amount equal to Storage Overrun Service.

14. Credit Evaluation: as required by Section 2.2(j) of the General Terms and Conditions.

THIS STORAGE SERVICE REQUEST IS HEREBY SUBMITTED

This ____ day of _____, ____

By _____

Telephone Number () _____

Fax Number () _____

e-mail address _____

FORM OF FSS SERVICE AGREEMENT
For Use Under Seller's Rate Schedule FSS

THIS AGREEMENT entered into as of the ____ day of _____, _____, by and between Honeoye Storage Corporation, a New York corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer."

WITNESSETH

WHEREAS, Customer has requested Seller to store Gas on its behalf; and

WHEREAS, Seller has sufficient capacity available to provide the Storage Service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I STORAGE SERVICE

1. Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Subject to the terms and provisions of this Agreement, Customer may on any Day cause Gas to be delivered to Seller up to the Maximum Daily Injection Quantity plus Seller's Injection Use for Storage of up to the Maximum Storage Quantity, and at Customer's request on any Day, Seller agrees to Tender Equivalent Quantities of Gas to or for the account of Customer, on a firm basis, up to the Maximum Daily Withdrawal Quantity, reduced by Seller's Withdrawal Use. The Maximum Daily Withdrawal Quantity, Maximum Storage Quantity and Maximum Daily Injection Quantity as set forth in Exhibit A to this Agreement.
3. Seller, if requested by Customer, may inject or withdraw from storage daily quantities in excess of the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity specified in Exhibit A, if it can do so without adverse effect on Seller's operations or its ability to meet its higher priority obligations as specified in paragraph 10 of the General Terms and Conditions.
4. Seller shall use reasonable efforts, if requested by Customer, to permit customer to inject or withdraw, quantities of Gas pursuant to Paragraph 3 above up to the Customer's Maximum Storage Quantity reduced by Seller's Withdrawal Use.

ARTICLE II

POINT OF INJECTION/WITHDRAWAL

1. Customer shall deliver or cause to be delivered Gas hereunder at the Point of

Injection/Withdrawal.

2. Seller shall Tender to or for the account of Customer, Equivalent Quantities of Gas stored hereunder, at the Point of Injection/Withdrawal.

ARTICLE III TERM OF AGREEMENT

1. This Agreement shall be effective as of the date first above written and shall remain in effect for a primary term commencing _____ and ending _____.

ARTICLE IV

RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Seller's Rate Schedule FSS and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as filed with the Commission. Such Rate Schedule and General Terms and Conditions are incorporated by reference and made a part hereof. Sections IV & V of Exhibit A hereto sets forth the applicable information as follows, which shall be utilized for transactions hereunder:

(a) Rates and Charges

(b) Additional charges which are applicable.

Exhibit A to this Agreement shall specify the Rates and Charges and Additional charges which are applicable. When the level of any Additional charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an amendment to Exhibit A to reflect such change(s) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rates, terms and conditions set forth herein, in Rate Schedule FSS or in the General Terms and Conditions of Seller's FERC Gas Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.

3. Further Agreement:

(Write None or specify the agreement).

ARTICLE V

NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill

provided for in this Agreement or any notice which a party may desire to give the other shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: Honeoye Storage Corporation
4511 Egypt Road
Canandaigua, NY 14424
Attention: ~~Treasurer~~ Manager of Marketing and Compliance

Customer: _____

ARTICLE VII

INCORPORATION BY REFERENCE

The provisions of Rate Schedule FSS and the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as may be modified or amended from time to time, are specifically incorporated herein by reference and made a part hereof.

ARTICLE VII

MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective _____:
2. Replacement Customer.

[If Customer is a Replacement Customer, state identity of Releasing Customer and Contract Number under which capacity is released. The offer of release issued by the Releasing Customer is incorporated herein by reference.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers or Representatives thereunto duly authorized.

HONEOYE STORAGE CORPORATION

By: _____

Its: _____

(Customer)

By: _____

Its: _____

EXHIBIT "A"

to

Agreement between

Honeoye Storage Corporation (Seller)

and

_____ (Customer)

Dated _____

I. MAXIMUM DAILY INJECTION QUANTITY (Dth)

II. MAXIMUM DAILY WITHDRAWAL QUANTITY (Dth)

III. MAXIMUM STORAGE QUANTITY (Dth)

IV. RATES AND CHARGES (monthly)

Deliverability Reservation Rate	\$ _____ /Dth/mo
---------------------------------	------------------

Capacity Reservation Rate	\$ _____ /Dth/mo
---------------------------	------------------

Injection Rate	\$ _____ /Dth
----------------	---------------

Overrun Injection Rate	\$ _____ /Dth
------------------------	---------------

Withdrawal Rate	\$ _____ /Dth
-----------------	---------------

Late Withdrawal Rate	\$ 1 /Dth
----------------------	-----------

Overrun Withdrawal Rate	\$ _____ /Dth
-------------------------	---------------

V. ADDITIONAL CHARGES - pursuant to Section 5 of Rate Schedule FSS

VI. INJECTION AND WITHDRAWAL USE CHARGES

VII. Fuel Charge	1% gas injected/mo
	1% gas withdrawn/mo

FORM OF PNFSS SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule PNFSS)

THIS AGREEMENT entered into as of the ____ day of _____ by and between Honeoye Storage Corporation, a New York corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer".

WITNESSETH

WHEREAS, Customer has requested Seller to store Gas on its behalf; and

WHEREAS, Seller may from time to time have sufficient storage capacity available to provide Priority Non-Firm Storage Service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I
STORAGE SERVICE

1. ~~I. —~~ Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Subject to the terms and provisions of this Agreement, Customer may deliver or cause Gas to be delivered to Seller on an interruptible basis, up to the Maximum Daily Injection Quantity, plus Seller's Injection Use, for Storage up to the Maximum Storage Quantity or Storage Overrun Quantity, and Seller agrees to receive, store and redeliver at Customer's request Equivalent Quantities of Gas to or for the account of Customer, on an interruptible basis, up to the Maximum Daily Withdrawal Quantity, reduced by Seller's Withdrawal Use, all as set forth on Exhibit A attached hereto.
3. Seller, if requested by Customer, may inject or withdraw from storage daily quantities in excess of the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity specified in Exhibit A above if it can do so without adverse effect on Seller's operations or its ability to meet its higher priority obligations as specified in Paragraph 10 of the General Terms and Conditions.

ARTICLE II
POINT OF INJECTION/WITHDRAWAL

1. Customer shall deliver or cause to be delivered Gas hereunder at the Point of Injection/Withdrawal.
2. Seller shall Tender to or for the account of Customer, Equivalent Quantities of Gas stored hereunder, at the Point of Injection/Withdrawal.

ARTICLE III
TERM OF AGREEMENT

1. This Agreement shall be effective for an initial period as of the date first written above until _____, and _____ to _____ thereafter, until terminated by Seller or Customer upon _____ prior written notice to the other specifying a termination date at the end of such period or any successive period thereafter. The period of service hereunder shall be from _____ until the termination of this Agreement.

ARTICLE IV
RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Seller's Rate Schedule PNFSS and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as filed with the Commission. Such Rate Schedule and General Terms and Conditions are incorporated by reference and made a part hereof. Sections IV & V of Exhibit A hereto sets forth the applicable information as follows, which shall be utilized for transactions hereunder:
 - a. Rates and Charges
 - b. Additional charges which are applicable.

Exhibit A to the Service Agreement shall specify the Rates and Charges and additional Charges which are applicable. When the level of any additional Charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an amendment to Exhibit A to reflect such changes) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rates, terms and conditions set forth herein in Rate Schedule PNFSS or in the General Terms and Conditions of Seller's FERC Gas Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.
3. Further Agreement:

(Write None or specify the agreement).

ARTICLE V
NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement or any notice which a party may desire to give the other shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: Honeoye Storage Corporation
4511 Egypt Road
Canandaigua, NY 14424
Attention: ~~Honeoye Gas Storage Supervisor~~ Manager of Marketing

and Compliance

Customer: _____

ARTICLE VI
INCORPORATION BY REFERENCE

1. The provisions of Rate Schedule PNFSS and the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as may be modified from time to time, are specifically incorporated herein by reference and made a part hereof.

ARTICLE VII
MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective _____ :

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by

their respective officers or Representatives thereunto duly authorized.

HONEOYE STORAGE CORPORATION

By: _____

Its _____

(Customer)

By: _____

Its _____

EXHIBIT "A"

to

Agreement between

Honeoye Storage Corporation (Seller)

and

_____ (Customer)

Dated _____

I. MAXIMUM DAILY INJECTION QUANTITY (Dth)

II. MAXIMUM DAILY WITHDRAWAL QUANTITY (Dth)

III. MAXIMUM STORAGE QUANTITY (Dth)

IV. STORAGE OVERRUN QUANTITY (Dth)

V. RATES AND CHARGES (Monthly)

Priority Non-Firm Storage

Service Quantity Rate _____ \$/Dth/mo

Injection Rate _____ \$/Dth

Withdrawal Rate _____ \$/Dth

Late Withdrawal Rate 1 \$/Dth

Overrun Storage Commodity Rate _____ \$/Dth/

Overrun Injection Rate \$/Dth/d

Overrun Withdrawal Rate \$/Dth/d

VI. ADDITIONAL CHARGES - Pursuant to Section 5 of Rate Schedule PNFSS

VII. INJECTION AND WITHDRAWAL USE CHARGES

VIII. Fuel Charge 1% gas injected/mo
1% gas withdrawn/mo

FORM OF ISS SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule ISS)

THIS AGREEMENT entered into as of the ____ day of _____ by and between Honeoye Storage Corporation, a New York corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer".

WITNESSETH

WHEREAS, Customer has requested Seller to store Gas on its behalf; and

WHEREAS, Seller may from time to time have sufficient storage capacity available to provide Interruptible Storage Service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I
STORAGE SERVICE

- I. Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Subject to the terms and provisions of this Agreement, Customer may deliver or cause Gas to be delivered to Seller on an interruptible basis, up to the Maximum Daily Injection Quantity, plus Seller's Injection Use, for Storage up to the Maximum Storage Quantity or Storage Overrun Quantity, and Seller agrees to receive, store and redeliver at Customer's request Equivalent Quantities of Gas to or for the account of Customer, on an interruptible basis, up to the Maximum Daily Withdrawal Quantity, reduced by Seller's Withdrawal Use, all as set forth on Exhibit A attached hereto.
3. Seller, if requested by Customer, may inject or withdraw from storage daily quantities in excess of the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity specified in Exhibit A above if it can do so without adverse effect on Seller's operations or its ability to meet its higher priority obligations as specified in Paragraph 10 of the General Terms and Conditions.

ARTICLE II
POINT OF INJECTION/WITHDRAWAL

1. Customer shall deliver or cause to be delivered Gas hereunder at the Point of Injection/Withdrawal.
2. Seller shall Tender to or for the account of Customer, Equivalent Quantities of Gas stored hereunder, at the Point of Injection/Withdrawal.

ARTICLE III
TERM OF AGREEMENT

1. This Agreement shall be effective as of _____ and shall remain in force and effect until _____ and shall continue thereafter, until terminated by Seller or Customer upon at least thirty (30) days written notice to the other specifying the termination date.

ARTICLE IV
RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Seller's Rate Schedule ISS and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as filed with the Commission. Such Rate Schedule and General Terms and Conditions are incorporated by reference and made a part hereof. Sections IV & V of Exhibit A hereto sets forth the applicable information as follows, which shall be utilized for transactions hereunder:
 - a. Rates and Charges
 - b. Additional charges which are applicable.

Exhibit A to the Service Agreement shall specify the Rates and Charges and additional Charges which are applicable. When the level of any additional Charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an

amendment to Exhibit A to reflect such changes) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rates, terms and conditions set forth herein in Rate Schedule ISS or in the General Terms and Conditions of Seller's FERC Gas Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.
3. Further Agreement:

(Write None or specify the agreement).

ARTICLE V
NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement or any notice which a party may desire to give the other

shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: Honeoye Storage Corporation
4511 Egypt Road
Canandaigua, NY 14424
Attention: ~~Honeoye Gas Storage Supervisor~~Manager of Marketing

and Compliance

Customer: _____

ARTICLE VI INCORPORATION BY REFERENCE

The provisions of Rate Schedule ISS and the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as may be modified from time to time, are specifically incorporated herein by reference and made a part hereof.

ARTICLE VII MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective _____ :

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers or Representatives thereunto duly authorized.

HONEOYE STORAGE CORPORATION

By: _____

Its _____

(Customer)

By: _____

Its _____

Honeoye Storage Corporation (Seller)

_____ (Customer)

Dated _____

- | | |
|--------------------------------|-------------------------------------------|
| Injection Rate | _____ \$/Dth |
| Withdrawal Rate | _____ \$/Dth |
| Inventory Charge | _____ \$/Dth/d |
| Late Withdrawal Charge | <u>_____ \$/</u> <u>1</u> <u>\$/Dth/d</u> |
| Overrun Storage Commodity Rate | _____ \$/Dth/d |

- | | | |
|-------|-----------------------------------------------------------------|-------------------------------------------|
| VI. | ADDITIONAL CHARGES - Pursuant to Section 5 of Rate Schedule ISS | |
| VII. | INJECTION AND WITHDRAWAL USE CHARGES | |
| VIII. | Fuel Charge | 1% gas injected/mo
1% gas withdrawn/mo |

FORM OF PAL SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule PAL)

THIS AGREEMENT entered into as of the ____ day of _____ by and between Honeoye Storage Corporation, a New York corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer".

WITNESSETH

WHEREAS, Customer has requested Seller to provide certain interruptible parking and lending service on its behalf; and

WHEREAS, Seller may from time to time have sufficient existing capacity and operational flexibility available to provide such interruptible service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I
PAL SERVICE

1. Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Following the commencement of service hereunder, in accordance with the terms of Rate Schedule PAL and of this Agreement, Seller shall provide Interruptible parking and lending service for Customer and shall park and loan the quantities of Gas up to the Customer's Maximum Park Quantity, and/or Maximum Loan Quantity.

ARTICLE II

TERM OF AGREEMENT

1. This Agreement shall be effective as of _____ and shall remain in force and effect until _____, and shall continue thereafter, until terminated by Seller or Customer upon at least thirty (30) days written notice to the other specifying the termination date.

ARTICLE III
RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Exhibit A hereto, Seller's Rate Schedule PAL and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as filed with the Commission. Such Rate Schedule and General Terms and Conditions

are incorporated by reference and made a part hereof.

Exhibit A hereto specifies the Rates and Charges and Additional Charges which are applicable. When the level of any Additional Charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an amendment to Exhibit A (to reflect such changes) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rates, terms and conditions set forth herein in Rate Schedule PAL or in the General Terms and Conditions of Seller's FERC Gas Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.

3. Further Agreement:

(Write None or specify the agreement).

ARTICLE IV NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement or any notice which a party may desire to give the other shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: Honeoye Storage Corporation
4511 Egypt Road
Canandaigua, NY 14424
Attention: ~~Honeoye Gas Storage Supervisor~~ Manager of Marketing

and Compliance

Customer: _____

ARTICLE V INCORPORATION BY REFERENCE

The provisions of Rate Schedule PAL and the General Terms and Conditions of Seller's FERC Gas Tariff, Volume No. 1A, as may be modified from time to time, are specifically

incorporated herein by reference and made a part hereof.

ARTICLE VI
MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective _____:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers or Representatives thereunto duly authorized.

HONEOYE STORAGE CORPORATION

By: _____

Its _____

(Customer)

By: _____

Its _____

EXHIBIT "A"

to

Agreement between

Honeoye Storage Corporation (Seller)

and

_____ (Customer)

Dated _____

- I. MAXIMUM DAILY INJECTION QUANTITY (Dth) _____
- II. MAXIMUM PARK QUANTITY (Dth) _____
- III. MAXIMUM DAILY WITHDRAWAL QUANTITY (Dth) _____
- IV. MAXIMUM LOAN QUANTITY (Dth) _____

Loan Time _____

V. RATES (Monthly)

Interruptible PAL Charge (Loan)	_____ \$/Dth/d
Interruptible PAL Charge (Park)	_____ \$/Dth/d
Interruptible PAL Injection Charge	_____ \$/Dth
Interruptible PAL Withdrawal Charge	_____ \$/Dth
Interruptible PAL Overrun Charge	_____ \$/Dth
<u>Interruptible PAL Late Withdrawal Charge</u>	<u>1 \$/Dth</u>

VI. ADDITIONAL CHARGES - Pursuant to Section 5 of Rate Schedule PAL

PAL Term:

Begin Date: _____

End Date: _____