

IT RATE SCHEDULE
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available for the transportation of natural gas on an interruptible basis by USG Pipeline Company (hereinafter called Transporter) to any Shipper:

- (a) that makes a valid request for interruptible service and executes an Interruptible Transportation Agreement (“IT Agreement”); and
- (b) to the extent that interruptible capacity is available on Transporter’s system from time to time for the receipt of gas by Transporter and the redelivery by Transporter for the account of Shipper.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 The service rendered shall be the transportation of natural gas up to the Maximum Interruptible Quantity (“MIQ”) set out in the IT Agreement performed under Subparts B and G of Part 284 of the Commissions Regulations subject to the availability of capacity sufficient to provide the service without detriment or disadvantage to Transporter’s firm transportation customers.
- 2.2 Service shall be on an interruptible basis. Interruption of service includes decreasing, suspending, or discontinuing either the receipt or delivery of gas. Interruption and availability of interruptible capacity shall be in accord with Section 9 of the General Terms and Conditions.
- 2.3 Transporter shall not be required to install, operate or maintain any additional facilities in order to provide transportation service under this Rate Schedule.

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3. DELIVERIES AND RECEIPTS

- 3.1 Receipt Points: All receipt points on Transporter's system shall be available as receipt points for gas transported under this Rate Schedule. Transporter shall not be required under any circumstances to receive gas at any Receipt Point where (1) the total quantity of gas scheduled for receipt on any day is less than that required for the accurate measurement of quantities to be received or (2) Shipper has failed to make and properly implement all necessary upstream arrangements on upstream pipelines.
- 3.2 Delivery Points:
- (a) All delivery points on Transporter's system shall be available as delivery points for gas transported under this Rate Schedule.
 - (b) Transporter shall not be required under any circumstances to deliver gas at any Delivery Point where (1) the total quantity of gas scheduled for delivery on any day is less than that required for the accurate measurement of quantities to be delivered or (2) Shipper has failed to make and properly implement all necessary upstream arrangements on upstream pipelines.

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4. RATES AND CHARGES

- 4.1 Transportation Rates: The Transportation Rate is the maximum IT rate shown on the effective Tariff Sheet No. 4, unless otherwise mutually agreed; provided, however, Transporter has the right at any time and from time to time to adjust the rate applicable to any transportation service upon notice to Shipper to any level not less than the minimum nor more than the maximum rates established for this Rate Schedule and set forth on the effective Tariff Sheet No. 4.

In the event Transporter and Shipper agree to establish a rate that is not subject to change and that is to be charged for the duration of the transportation service, said rate will be set forth in the applicable IT Agreement.

- 4.2 New Facilities: In addition to the charges pursuant to Section 4.1 of this Rate Schedule, if Transporter agrees to construct facilities for service requested by Shipper, Transporter shall charge Shipper an amount to advance 100% of the estimated cost (including a gross-up for the income tax effects of reimbursement) of facilities constructed at the Shipper's request in order to provide transportation service under this Rate Schedule. Further, Transporter shall charge Shipper an amount to advance 100% of the estimated costs (including a gross-up for the income tax effects of reimbursement) to be incurred by Transporter for appurtenant facilities and equipment, including but not limited to electronic custody transfer equipment, metering facilities, gravimeters, calorimeters, flow controllers or other measurement or metering facilities. Such estimated advance payments shall be subject to true-up to actual costs incurred by Transporter for the construction of transportation and appurtenant facilities within 30 days following completion of construction of such facilities.

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- 4.3 Incidental Charges: In addition to the charges pursuant to Section 4.1 and 4.2 of this Rate Schedule, Transporter shall charge Shipper an amount to reimburse Transporter 100% for any filing or similar fees and, if applicable, sales or use tax that have not been previously paid by Shipper, that Transporter incurs in establishing or rendering service.
- 4.4 Notwithstanding any provision of Transporters effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to rates, rate components, charges or credits for service under this Rate Schedule that differ from those rates, rate components, charges or credits that are prescribed, required, established or imposed by this Rate Schedule or by any other applicable provision of Transporters effective FERC Gas Tariff. If Transporter agrees to such differing rates, rate components, charges or credits (“Negotiated Rates”), then the Negotiated Rate(s) shall be effective only for the period agreed upon by Transporter. During such period, the Negotiated Rate shall govern and apply to the Shipper’s service and the otherwise applicable rate, rate component, charge or credit, which the parties have agreed to replace with the Negotiated Rate, shall not apply to, or be available to, the Shipper. At the end of such period, the otherwise applicable maximum rates or charges shall govern the service provided to Shipper. Only those rates, rate components, charges or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated rate is effective; all other rates, rate components, charges or credits prescribed, required, established or imposed by this Rate Schedule or Transporters Tariff shall remain in effect. Transporter shall make any filings at the FERC necessary to effectuate a Negotiated Rate.

5. SCHEDULING AND CURTAILMENT

Transporter shall schedule interruptible transportation according to the IT rate paid by Shippers each month, scheduling IT at higher rates ahead of IT at lower rates. The foregoing notwithstanding, if an IT Shipper was flowing gas under its IT Agreement during the previous month, such Shipper will be notified prior to the start of the month of delivery if its current IT nomination cannot be scheduled due to price, and given an opportunity to offer a price that will enable its IT nomination to be scheduled. IT Shippers paying the same rate shall be scheduled pro rata based on Scheduled Quantities.

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6. MONTHLY BILL

The Monthly Bill for service shall equal

- (a) The applicable IT Rate multiplied by the dekatherms of natural gas transported and delivered by Transporter for Shipper in the month pursuant to this Rate Schedule;
and
- (b) If applicable, any other charges pursuant to Section 4 of this Rate Schedule.

7. WAIVER

Transporter may waive any rights hereunder or any obligations of Shipper hereunder on a basis that is not unduly discriminatory; provided that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.

8. GENERAL TERMS AND CONDITIONS

- 8.1 Shipper shall provide Transporter with such information as is needed to meet the requirements placed on Transporter by regulation, rule, and/or order by any duly authorized agency. Furthermore, any terms or conditions not specified in this Rate Schedule shall be determined consistent with the General Terms and Conditions of Transporter's Tariff, which are incorporated into this Rate Schedule.
- 8.2 In the event of a conflict between the provisions of this Rate Schedule and Transporter's General Terms and Conditions, the provisions of Transporter's General Terms and Conditions shall govern.