



Southern Star Central Gas Pipeline, Inc.

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December 27, 2017

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

Re: Southern Star Central Gas Pipeline, Inc.
Docket No. RP18-_____
Miscellaneous Tariff Filing

Dear Ms. Bose:

Southern Star Central Gas Pipeline, Inc. ("Southern Star") respectfully submits by eFiling revised tariff sheets or records, as listed in Appendix A, to its FERC Gas Tariff, First Revised Volume No. 1 ("Volume No. 1") and Original Volume No. 2 ("Volume No. 2"), to be effective February 1, 2017. The tariff sheets are being filed pursuant to Part 154 of the Rules and Regulations of the Federal Energy Regulatory Commission ("Commission") to incorporate changes as described further below.

List of Materials Enclosed

In accordance with Section 154.7(a)(1) of the Commission's regulations, submitted herewith is an eTariff XML filing package, filed as a zip (compressed) file, containing:

- i. The proposed tariff sheet versions in RTF format with metadata attached;
- ii. A transmittal letter;
- iii. Appendix A – A listing of the revised sheets/records;
- iv. Appendix B – A list of tariff provisions where miscellaneous grammatical, spelling and formatting errors have been corrected;
- v. Appendix C – A clean version of the tariff sheets/records; and
- vi. Appendix D – A marked version of the tariff sheets/records.

Statement of Nature, Reasons and Basis for Filing

Southern Star is filing the revised tariff sheets to effect housekeeping and other changes to various Rate Schedules, provisions within the General Terms and Conditions (“GT&C”) and Forms of Service Agreements (including Exhibits), as more fully described herein below. Southern Star continues to analyze its tariff and conduct internal “audits” to assess whether changes in tariff provisions are merited based on customer feedback or facts related to actual experiences. Southern Star believes the tariff revisions proposed herein are generally minor in nature including added provisions, updates and clarifications as to how the tariff is applied and will be viewed favorably, or not be opposed, by the shippers on Southern Star’s system.

Corrections

Appendix B contains a list of tariff provisions where miscellaneous grammatical, spelling and formatting errors have been corrected and briefly describes the reason for the correction.

Miscellaneous/Updated Provisions

In addition to the various corrections noted above, some provisions of the tariff have been updated to remove obsolete references, to correct omissions, to eliminate duplication, or to reflect changed or current circumstances. These miscellaneous changes include the following:

Cover Sheet: The cover sheet to Volume No. 1 and Volume No. 2 has been revised to update the contact information for Philip A. Rullman (title and email address).

GT&C -- Sheets 2, 200, 298 and 299: The changes on these sheets reflect a change in the title of GT&C Section 24 from “Types and Portability of Discounts” to “Types of Discounts.” This title change deletes the obsolete reference to portability. Southern Star eliminated the portability of discounts provision (then GT&C Section 30.2) from its tariff in 2005 in Docket No. RP05-668¹ after the Commission vacated its CIG/Granite State portability of discounting policy in its Second Order on Remand in Williston Basin Interstate Pipeline Co.,² but never removed the reference to portability from the title of the section. This obsolete reference creates confusion whenever Southern Star conducts training on its tariff and removal of this obsolete term will eliminate that confusion and more accurately reflect the content of GT&C Section 24. In addition to GT&C Section 24, this title change is also reflected in the Volume No. 1 Table of Contents and the GT&C Table of Contents.

GT&C -- Sheets 208 and 209: GT&C Section 3.2 (j) has been revised to address situations where the quality of gas received in its system may not be acceptable for delivery into interconnects with interstate and intrastate pipelines, plants, end-users or directly connected local distribution companies. In such situations, where the gas in a specific segment of Southern Star’s system is not interchangeable or not acceptable for such downstream deliveries, the new tariff language would permit Southern Star to post notice from time to time, as operationally necessary, of

¹ See *Southern Central Gas Pipeline, Inc.*, 113 FERC ¶ 61,110 (2005).

² *Williston Basin Interstate Pipeline Co.*, 110 FERC ¶ 61,210 (2005).

additional gas quality specifications or different gas quality limits to ensure that the gas quality on such segment(s) is interchangeable and acceptable for delivery into such interconnects. Southern Star will provide as much prior notice of any such limitation as reasonably practicable and will attempt to provide this prior notice in the posting at least ten (10) days before the beginning of the month in which a limitation is to be effective.

GT&C Section 3.2 (j) already recognizes that gas quality may vary throughout segments of Southern Star's pipeline system and that gas received in a segment must be compatible with the gas typically existing in the segment. The new language does not propose any revisions to Southern Star's general gas quality specifications, but provides a process where Southern Star can, by prospective notice, ensure that gas on a specific segment is interchangeable and is acceptable for downstream delivery. This provision is narrowly drafted to address specific situations on a particular line segment as such situations may occur.³

Southern Star's proposed language requiring gas to be capable of delivery to downstream markets is similar to provisions in the tariffs or statement of operating conditions of other interstate⁴ or intrastate⁵ pipelines that Southern Star competes with to attract new gas supplies, but is operationally limited to particular line segments and has additional notice and posting requirements not present in those tariffs.

Form of Service Agreement under Rate Schedule PLS -- Sheets 457 and 458: Two changes are made to the parking and loan service orders (Exhibits A and B respectively) of the form of service agreement under Rate Schedule PLS. First, a drafting option is provided in the header to show either the Creation Date of the park or loan service order, or, if applicable when the service order is being amended, to show the effective date of the revision. This optionality is for administrative convenience to allow original and revised service orders to be more easily tracked and distinguished using this labelling convention.

The second change corrects a typographical omission in the park and loan service orders by adding the phrase "or negotiated rate agreement" to the end of the sentence that states "PLS shipper shall be charged the current maximum tariff rate unless otherwise agreed to in an associated discount letter." GT&C Section 28.1 provides that "Southern Star and Shipper may mutually agree to negotiate rates under any Part 284 Rate Schedule that expressly provides for a negotiated rate

³ Recent examples of such situations occurring on Southern Star include, among others, refusals to accept delivery of gas by Natural Gas Pipeline Company of America LLC (NGPL) on Line Segment 315 due to unacceptable oxygen levels under NGPL's tariff and by Oklahoma Natural Gas Company (ONG) on Line Segment 400 due to unacceptable heat content under ONG's tariff.

⁴ See Section 3.2 of General Terms and Conditions of Colorado Interstate Gas Transmission ("Notwithstanding Sections 3.1 through 3.3, Transporter shall not be required to receive Gas at any Point of Receipt which is of a quality inferior to that required by Shipper or a third Party at any Point of Delivery under the Agreement.").

⁵ See Article 4.3 (j) of General Terms and Conditions of ONEOK Gas Transportation, LLC ("Must be interchangeable with Gas which is: (1) in the receiving transmission facilities; and (2) delivered to the nearest end user, city border station, aggregation point or other pipeline interconnected with such receiving transmission facility; and (3) downstream of the Point(s) of Delivery."); Article 6.1 (j) of Statement of Operating Conditions of ONEOK WesTex Transmission, LLC ("Shall be interchangeable with Gas which is: (1) In the receiving transmission facilities. (2) Delivered to the nearest end user, city border station, aggregation point or other pipeline interconnected with such receiving transmission facility. (3) Downstream of the Point(s) of Delivery.").

and references this Section 28.” Section 3 (c) of the PLS Rate Schedule authorizing Southern Star’s Parking and Loan Service expressly states that “Shipper and Southern Star may mutually agree to a negotiated rate pursuant to Section 28 of the General Terms and Conditions.” Negotiated rates are thus clearly authorized for and intended to be available to park and loan shippers under the PLS rate Schedule.

The pro forma parking and loan service orders in Southern Star’s tariff, however, fail to reference negotiated rates. The additional phrase filed herewith corrects this inadvertent omission and clarifies that Southern Star and the PLS shipper may agree to use negotiated rates as expressly permitted by the PLS Rate Schedule, rather than using maximum rates or discounted rates.

Southern Star has filed, and the Commission has accepted, several non-conforming park and loan service orders using the two language changes referenced above.⁶ In those filings Southern Star stated that it would file to add such language to its tariff in its next housekeeping filing, which Southern Star has now done.

Proposed Effective Date and Request for Waiver

Southern Star respectfully requests that the revised tariff sheets become effective February 1, 2017, which date is at least thirty (30) days after receipt of this filing by the Commission. Southern Star respectfully requests that the Commission grant any and all waivers as may be necessary for the tariff sheets to become effective February 1, 2017.

Motion to Place Tariff Sheets into Effect

Pursuant to Section 154.7(a)(9) of the Commission’s Regulations, Southern Star moves to place the aforementioned revised tariff sheets into effect at the end of the suspension period requested above. Southern Star reserves the right, however, to file a later motion to move the tariff sheets into effect in the event of any change to such tariff sheets which may be ordered by the Commission or the determination by the Commission that a longer suspension period is in order.

Correspondence

Southern Star respectfully requests that all Commission orders and correspondence, as well as pleadings and correspondence from other persons, concerning this filing be served upon:

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⁶ See, e.g., Letter Order dated November 28, 2017 in Southern Star Central Gas Pipeline, Inc., Docket No.RP18-72.

Kimberly D. Bose, Secretary

December 27, 2017

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and copies provided to:

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If there are any questions pertaining to this filing, please contact any of the parties listed above.

Posting and Certification of Service

Copies of this filing are being distributed to Southern Star's jurisdictional customers and interested state commissions, as well as posted on CSI, Southern Star's online customer service system. A copy of this filing is available for public inspection during regular business hours at the office of Southern Star in Owensboro, Kentucky.

Sincerely,

SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

By: /s/ Philip A. Rullman

Philip A. Rullman
V.P. & Chief Marketing Officer
(270) 852-4440

Enclosures

Appendix A

Listing of Revised Tariff Sheets

Volume No. 1

Revised Title Page
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Second Revised Sheet No. 109
First Revised Sheet No. 150
Third Revised Sheet No. 200
First Revised Sheet No. 208
Second Revised Sheet No. 209
Second Revised Sheet No. 232
Second Revised Sheet No. 275
First Revised Sheet No. 276
Second Revised Sheet No. 277
First Revised Sheet No. 298
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Third Revised Sheet No. 457
Third Revised Sheet No. 458

Volume No. 2

Revised Title Page

Appendix B

Miscellaneous Grammatical, Spelling and Formatting Corrections

Sheet No.	Tariff Provision	Description of Correction
Sheet No. 109	STS Rate Schedule	Corrected the spelling of "Southern Star's system" in paragraph 1(a).
Sheet No. 150	PLS Rate Schedule	In paragraph 2(b)(i), "receipt of Southern Star" was clarified to read "receipt by Southern Star."
Sheet No. 232	GT&C	In the last paragraph, the word "rollover" has been changed to "roll-over" to provide consistency throughout the tariff.
Sheet No. 275	GT&C	In paragraph 13.2, "under or over recoveries" has been changed to "over or under recoveries" to provide consistency throughout the tariff.
Sheet No. 276	GT&C	Added a hyphen for "three-year average" in the first paragraph; also added wording from the top of Sheet No. 277 to complete the last line on Sheet No. 276.
Sheet No. 277	GT&C	Deleted "affected its ability to perform the shut-in pressure test(s) as" from the first sentence, as this has been moved to Sheet No. 276.

Appendix C

Clean Version of Tariff Sheets

Southern Star Central Gas Pipeline, Inc.
FERC Gas Tariff
First Revised Volume No. 1

FERC GAS TARIFF
FIRST REVISED VOLUME NO. 1
(Superseding Original Volume No. 1)
Of
SOUTHERN STAR CENTRAL GAS PIPELINE, INC.
Filed With
FEDERAL ENERGY REGULATORY COMMISSION

Communications Covering Rates Should Be Addressed To:

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STS RATE SCHEDULE
Small Customer Trans-Storage Service

STS-P Production Area
STS-M Market Area

1. AVAILABILITY

This rate schedule is available to any small customer for the firm storage of gas and the firm transportation of gas through Southern Star's transmission facilities in the Production Area for Rate Schedule STS-P, and for the firm storage of gas and the firm transportation of gas through Southern Star's transmission facilities in the Production Area, if applicable, and Market Area for Rate Schedule STS-M, under the following conditions:

- (a) Small customer as used in this rate schedule means a local distribution company or municipal distribution system directly connected to Southern Star's system whose total demand for gas is less than or equal to 10,000 Dth on any day.
- (b) Service under this rate schedule shall be made available to any Shipper only to the extent that Southern Star determines it has available capacity to provide the service consistent with operating conditions on its system.
- (c) Shipper shall provide the information, fees and other payments specified by Section 8 of the General Terms and Conditions and shall execute an STS Service Agreement for service under this rate schedule in the form provided in this tariff, specifying a Maximum Daily Transportation Quantity (MDTQ) by area, Primary Receipt Point(s) including storage, Primary Delivery Point(s), the Maximum Daily Quantity (MDQ) for each Primary Receipt Point and each Primary Delivery Point, a Maximum Daily Withdrawal Quantity (MDWQ) from storage, and a Maximum Storage Quantity (MSQ).
- (d) Service under this rate schedule is subject to right of first refusal and bidding procedures set forth in Section 6 of the General Terms and Conditions.

PLS RATE SCHEDULE
Parking and Loan Service

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to all Parking and Loan Service rendered by Southern Star for PLS Shipper pursuant to Southern Star blanket certificate or Part 284 of the regulations of the FERC and an executed PLS Service Agreement.
- (b) Service under this rate schedule shall be provided as follows:
 - (i) **Parking Service.** Parking Service is an interruptible service which shall consist of: (a) the receipt by Southern Star of gas quantities (Parked Quantity) up to the maximum daily quantity specified in the executed Service Agreement, (b) Southern Star holding the Parked Quantity on Southern Star's system, and (c) redelivery of thermally equivalent quantities at the same point where PLS Shipper tendered the gas to Southern Star, subject to Section 5 of this rate schedule. Parked Quantities may be delivered to Southern Star by PLS Shipper (1) at a logical (non-physical) point in either the Production Area or in the Market Area under a gas transportation service agreement, or (2) at any pool as defined in Rate Schedule PS under a pooling service agreement.
 - (ii) **Loan Service.** Loan Service is an interruptible service which shall consist of (a) PLS Shipper receiving gas quantities (Loaned Quantity) from Southern Star up to the maximum daily quantity specified in the executed PLS Service Agreement, and (b) the subsequent return of the Loaned Quantity to Southern Star at the same point where PLS Shipper borrowed the gas, subject to Section 5 of this rate schedule. Loaned Quantities may be received from Southern Star by PLS Shipper (1) at a logical point (non-physical) in the Production Area or in the Market Area, or (2) at any pool as defined in Rate Schedule PS.

GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS

3. QUALITY (Cont'd)

- (c) Oxygen: The gas shall not contain in excess of two-tenths of one percent (0.2%) by volume of oxygen, and every reasonable effort shall be made to keep the gas completely free of oxygen.
- (d) Carbon Dioxide: The gas shall contain not more than one percent (1%) by volume of carbon dioxide.
- (e) Hydrogen: Gas from crude oil refineries shall contain no more than trace amounts of free hydrogen.
- (f) Dust, Gums, etc.: The gas shall be commercially free of dust, gums, dirt, paraffin, impurities and other solid matter.
- (g) Heating Value: The gas shall have a gross heating value of not less than nine hundred fifty (950) Btu's per cubic foot, assuming no water vapor. The term "gross heating value" when applied to a cubic foot of gas shall mean the number of Btu's produced by the complete combustion of the amount of the gas which would occupy a volume of one (1) cubic foot at 14.73 psia and a temperature of sixty degrees Fahrenheit (60 deg. F.).
- (h) Temperature: The temperature of the gas at the receipt point shall not exceed one hundred twenty degrees Fahrenheit (120 deg F.).
- (i) Water Vapor: Gas received in Kansas, Oklahoma, Missouri, or Texas shall not contain more than seven (7) pounds of water in vapor phase per million cubic feet and gas received in Colorado or Wyoming shall not contain more than five (5) pounds of water in vapor phase per million cubic feet, except for gas tendered to Southern Star at a receipt point where Southern Star owns and operates the equipment necessary to reduce the water vapor content of the gas to meet this requirement.
- (j) Notwithstanding the provisions of paragraphs (a) through (i) above, gas quality varies throughout segments of Southern Star's pipeline system based on the function of each segment. The quality of the gas delivered by Shipper to Southern Star must, in Southern Star's reasonable discretion, be compatible with the gas typically existing in the segment of Southern Star's pipeline into which Shipper makes delivery and be acceptable for delivery into interconnects with interstate and intrastate pipelines, plants, end-users or directly connected local distribution companies.

GENERAL TERMS AND CONDITIONS

3. QUALITY (Cont'd)

If in any segment(s) of Southern Star's system gas is not interchangeable or acceptable for deliveries into interconnects with interstate and intrastate pipelines, plants, end-users or directly connected local distribution companies, then Southern Star may, from time to time, as operationally necessary, post notice on the Informational Postings portion of CSI of additional gas quality specifications or different gas quality limits to ensure that the gas quality on such segment(s) is interchangeable and acceptable for delivery into such interconnects. Southern Star will provide as much prior notice of any such limitation as reasonably practicable and will attempt to provide this prior notice in the posting at least ten (10) days before the beginning of the month in which the limitation is to be effective.

If, at any time, gas tendered to Southern Star shall fail to substantially conform to any of the applicable quality specifications and Southern Star notifies the Shipper of such deficiency, and such deficiency is not corrected within a reasonable period of time, Southern Star may, at its option, refuse to accept delivery pending correction of the deficiency by Shipper or continue to accept delivery and make such changes necessary to cause the gas to conform to such specifications, in which event, prior to making such changes, Southern Star shall provide Shipper with an estimate of the costs that are expected to be incurred by Southern Star in effecting such changes and Shipper shall agree to reimburse Southern Star for all such costs incurred by Southern Star in effecting such changes; provided, however, that Southern Star may at any time refuse to accept delivery of gas which it considers to be unsafe or hazardous or to impair the operation or use of its facilities. Failure by Shipper to tender deliveries that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the rights and obligations existing under any other provisions of the executed Service Agreement.

GENERAL TERMS AND CONDITIONS

9. SCHEDULING, CURTAILMENT AND IMBALANCES

This section sets forth procedures for nomination and scheduling of service on Southern Star's system, curtailment in the event of unexpected loss of capacity after gas has been scheduled, and the treatment of imbalances. This section applies to all transportation and storage services, including services utilizing reassigned firm capacity, provided under rate schedules contained in this Volume No. 1 tariff.

9.1 Nomination Procedures

- (a) Shippers under Rate Schedules TSS and STS (no-notice service) are required to nominate quantities at receipt points from Southern Star's Master Receipt Point List into Southern Star's transmission system, quantities at the production area/market area interface, and quantities at the production area pools and Market Area Pool, but not storage injection or withdrawal quantities or delivery quantities to primary delivery points (except the production area/market area interface and Market Area Pool); provided, however, that to the extent that component parts of TSS service have been assigned and the components retained by the Releasing Shipper are not within the storage to flowing supply ratio permitted in Rate Schedule TSS, deliveries must be nominated.
- (b) Southern Star will deliver gas to a Shipper hereunder, up to the Shipper's MDTQ, when that Shipper has provided a thermally equivalent quantity, plus fuel and loss, to Southern Star on the same gas day, either at designated receipt point(s) or from Shipper's storage gas. Shippers under all rate schedules except TSS and STS shall use their best efforts to deliver and receive gas at uniform daily rates of flow.
- (c) All nominations must include Shipper defined begin dates and end dates. All nominations excluding intraday nominations have rollover options. Specifically, a Shipper has the ability to nominate for several days, months, or years provided the nomination begin and end dates are within the term of Shipper's Service Agreement. Daily nominations do not replace the remainder of a standing nomination unless the end date is equal to or greater than the end date of the standing nomination.

GENERAL TERMS AND CONDITIONS

13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

13.2 Method of Calculation of Transmission System Fuel and Loss (Cont'd)

Actual fuel consumed at each compressor station or other fuel consuming facility attributable to transmission operations is measured.

Over or under recovery of fuel and loss in each area is calculated by comparing the actual fuel and loss incurred during the preceding twelve-month period (January through December) to the quantity of gas retained under the fuel and loss reimbursement percentage which was in effect during each month of such period. The quantity retained is calculated using the actual fuel and loss reimbursement percentage before adjustment for over or under recoveries during the prior period.

13.3 Filing of Storage Fuel and Loss Reimbursement Percentages

Southern Star shall file revised storage fuel and loss reimbursement percentages each year based on actuals for the preceding twelve-month period ended December 31. Such annual filing shall be made no later than March 1 to be effective April 1.

13.4 Method of Calculation of Storage Fuel and Loss

The storage fuel reimbursement percentage shall have two components: a current charge and a surcharge.

Actual fuel consumed at each storage compressor station or other storage fuel consuming facility attributable to storage operations is measured.

GENERAL TERMS AND CONDITIONS

13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

13.4 Method of Calculation of Storage Fuel and Loss (Cont'd)

The current charge portion of the storage fuel reimbursement percentage shall be calculated each year based on the actual storage fuel divided by the most recent three-year average of actual customer storage injections.

The surcharge portion of the storage fuel reimbursement percentage shall be calculated by dividing the over or under collections by the most recent three-year average of actual customer storage injections. Over or under recovery of storage fuel is calculated by comparing the actual storage fuel incurred during the preceding twelve-month period (January through December) to the quantity of gas retained under the current charge portion of the storage fuel reimbursement percentage which was in effect during each month of such period. The quantity retained is calculated by multiplying the actual customer storage injections times the current charge portion of the storage fuel reimbursement percentage in effect during the calculation period.

The storage loss reimbursement percentage shall have two components: a current charge and a surcharge.

Storage loss is calculated annually at the end of the injection cycle based on shut-in pressure tests for each field taken at the end of the withdrawal and injection cycles. If Southern Star adjusts the results of the storage loss calculation for any field, Southern Star shall include in its annual filing a request for waiver, the original results of the storage loss calculation, the adjusted storage loss and an explanation as to why the storage loss for the field was adjusted.

Except as necessary to meet operational demands, SSC shall: (i) perform the end-of-the-injection-cycle shut-in pressure test on each field at the point in time when SSC reasonably believes the field is at or near the highest inventory level that will be achieved; and (ii) perform the end-of-the-withdrawal-cycle shut-in pressure test on each field at the point in time when SSC reasonably believes the field is at or near its lowest inventory level that will be achieved. If operational demands significantly affect its ability to perform the shut-in pressure test(s) as

GENERAL TERMS AND CONDITIONS

13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

13.4 Method of Calculation of Storage Fuel and Loss (Cont'd)

described above, SSC shall provide a detailed explanation of such operational demands in its annual filing.

The current charge portion of the storage loss reimbursement percentage shall be calculated each year based on the most recent three-year average of actual storage losses divided by the most recent three-year average of actual customer storage injections.

The surcharge portion of the storage loss reimbursement percentage shall be calculated as follows:

Beginning on the effective date of this Section 13.4, Southern Star shall maintain an over or under recovery account of storage losses. Such account shall be increased or decreased for the actual storage losses or gains calculated annually based on the shut-in pressure tests; and increased or decreased for the quantity of gas retained or returned to customers. The quantity of gas retained or returned shall be calculated by multiplying the actual customer storage injections times the storage loss reimbursement percentage in effect during the calculation period. If the balance in such account exceeds 500,000 Dth, either positive or negative, at December 31 of any year, Southern Star will calculate a positive or negative surcharge to be effective April 1 of the following year. Such surcharge shall be calculated by dividing the volume of gas that exceeds 500,000 Dth by the most recent three-year average of actual customer storage injections.

In the event the storage fuel and loss reimbursement provision herein is substantially amended or terminated, Southern Star may calculate a surcharge to recover any underrecovery in such account and shall calculate a surcharge to refund any overrecovery in such account.

GENERAL TERMS AND CONDITIONS

24. TYPES OF DISCOUNTS

24.1 Types of Discounts

Various rate schedules permit Southern Star to discount its rates between its maximum and minimum rates on a basis that is not unduly discriminatory. From time to time Shipper and Southern Star may agree in writing on a level of discount of the otherwise applicable rates and charges in addition to a basic discount from the stated maximum rates. For example, Southern Star may provide a specific discounted rate:

- (i) to certain specified quantities under the Service Agreement,
- (ii) if specified quantity levels are actually achieved or with respect to quantities below a specified level,
- (iii) during specified time periods,
- (iv) to points of receipt, points of delivery, supply areas, or defined geographical areas,
- (v) in a specified relationship to the quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to quantities actually transported),
- (vi) based on a formula including, but not limited to, published index prices for specific receipt or delivery points or other agreed-upon pricing reference points for price determination, provided that, any such discount will produce a rate per unit of contract demand,
- (vii) that provides for increasing (or decreasing) a discounted rate for service under one rate schedule to make up for a decrease (or increase) in the maximum rate for a separate service provided under another rate schedule, and any such discount shall specify the rate component to be discounted, or
- (viii) to production reserves, supplies or markets committed by Shipper.

In all circumstances the discount provided shall not change the underlying rate design, and the resulting discounted rate shall be between the maximum rate and the minimum rate applicable to the service provided.

GENERAL TERMS AND CONDITIONS

24. TYPES OF DISCOUNTS (Cont'd)

24.1 Types of Discounts (Cont'd)

Such forms of discounts shall not be considered a material deviation from Southern Star's pro forma service agreement as a result of such discount and Southern Star shall not be required to file such agreement with the Commission as a non-conforming contract because of such discount. Southern Star shall, however, file any required reports related to such discounts pursuant to the Commission's regulations.

In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable Maximum Rate at the time the discount agreement was executed subsequently exceeds the applicable Maximum Rate due to a change in Southern Star's Maximum Rates so that such rate component must be adjusted downward to equal the new applicable Maximum Rate, then other rate components may be adjusted upward to achieve the agreed upon overall rate, as long as none of the resulting rate components exceed the Maximum Rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission Order accepts revised tariff sheet rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates, which ultimately are found to be just and reasonable.

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE PLS
Parking Service

Exhibit A-____
Creation Date _____
Or, *if applicable*, revised effective _____

Reference is made to that PLS Service Agreement by and between Southern Star and
_____ (PLS Shipper), dated _____.

Southern Star and PLS Shipper agree, pursuant to the referenced service agreement, to a Service Order under the following terms:

Term of Service Order:

This Service Order shall become effective on _____ and shall
continue in full force and effect for an original term ending at the beginning of the gas
day effective _____.

PLS shipper shall be charged the current maximum tariff rate unless otherwise agreed to in an
associated discount letter or negotiated rate agreement.

Parking Point of Service _____

Maximum Daily Quantity _____

Maximum Total Parked Quantity _____

If you are in agreement, please indicate by executing below.

[SHIPPER] SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

By _____ By _____
(Signature) (Signature)

Name _____ Name _____
(Please type or print) (Please type or print)

Title _____ Title _____
(Please type or print) (Please type or print)

Date _____ Date _____

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE PLS
Loan Service

Exhibit B-_____
Creation Date _____
Or, *if applicable*, revised effective _____

Reference is made to that PLS Service Agreement by and between Southern Star and
_____ (PLS Shipper), dated _____.

Southern Star and PLS Shipper agree, pursuant to the referenced service agreement, to a Service Order under the following terms:

Term of Service Order:

This Service Order shall become effective on _____ and shall
continue in full force and effect for an original term ending at the beginning of the gas
day effective _____.

PLS shipper shall be charged the current maximum tariff rate unless otherwise agreed to in an
associated discount letter or negotiated rate agreement.

Loan Point of Service _____

Maximum Daily Quantity _____

Maximum Total Loaned Quantity _____

If you are in agreement, please indicate by executing below.

_____ [SHIPPER]	SOUTHERN STAR CENTRAL GAS PIPELINE, INC.
By _____ (Signature)	By _____ (Signature)
Name _____ (Please type or print)	Name _____ (Please type or print)
Title _____ (Please type or print)	Title _____ (Please type or print)
Date _____	Date _____

FERC GAS TARIFF
ORIGINAL VOLUME NO. 2
Of
SOUTHERN STAR CENTRAL GAS PIPELINE, INC.
Filed With
FEDERAL ENERGY REGULATORY COMMISSION

Communications Covering Rates Should Be Addressed To:

Philip A. Rullman
Vice President and Chief Marketing Officer
Southern Star Central Gas Pipeline, Inc.
P. O. Box 20010 (42304)
4700 Kentucky Highway 56 West
Owensboro, Kentucky 42301
Phone: (270) 852-4440
Fax: (270) 852-5010
Email: Philip.Rullman@sscgp.com

Appendix D

Marked Version of Tariff Sheets

Southern Star Central Gas Pipeline, Inc.
FERC Gas Tariff
First Revised Volume No. 1

FERC GAS TARIFF
FIRST REVISED VOLUME NO. 1
(Superseding Original Volume No. 1)
Of
SOUTHERN STAR CENTRAL GAS PIPELINE, INC.
Filed With
FEDERAL ENERGY REGULATORY COMMISSION

Communications Covering Rates Should Be Addressed To:

Philip A. Rullman
Vice President and Chief ~~Commercial Services~~Marketing Officer
Southern Star Central Gas Pipeline, Inc.
P. O. Box 20010 (42304)
4700 Kentucky Highway 56 West
Owensboro, Kentucky 42301
Phone: (270) 852-4440
Fax: (270) 852-5010
Email: Philip.Rullman~~Phil.A.Rullman~~@sscgp.com

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STS RATE SCHEDULE
Small Customer Trans-Storage Service

STS-P Production Area
STS-M Market Area

1. AVAILABILITY

This rate schedule is available to any small customer for the firm storage of gas and the firm transportation of gas through Southern Star's transmission facilities in the Production Area for Rate Schedule STS-P, and for the firm storage of gas and the firm transportation of gas through Southern Star's transmission facilities in the Production Area, if applicable, and Market Area for Rate Schedule STS-M, under the following conditions:

- (a) Small customer as used in this rate schedule means a local distribution company or municipal distribution system directly connected to Southern Star's system whose total demand for gas is less than or equal to 10,000 Dth on any day.
- (b) Service under this rate schedule shall be made available to any Shipper only to the extent that Southern Star determines it has available capacity to provide the service consistent with operating conditions on its system.
- (c) Shipper shall provide the information, fees and other payments specified by Section 8 of the General Terms and Conditions and shall execute an STS Service Agreement for service under this rate schedule in the form provided in this tariff, specifying a Maximum Daily Transportation Quantity (MDTQ) by area, Primary Receipt Point(s) including storage, Primary Delivery Point(s), the Maximum Daily Quantity (MDQ) for each Primary Receipt Point and each Primary Delivery Point, a Maximum Daily Withdrawal Quantity (MDWQ) from storage, and a Maximum Storage Quantity (MSQ).
- (d) Service under this rate schedule is subject to right of first refusal and bidding procedures set forth in Section 6 of the General Terms and Conditions.

PLS RATE SCHEDULE
Parking and Loan Service

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to all Parking and Loan Service rendered by Southern Star for PLS Shipper pursuant to Southern Star blanket certificate or Part 284 of the regulations of the FERC and an executed PLS Service Agreement.
- (b) Service under this rate schedule shall be provided as follows:
 - (i) **Parking Service.** Parking Service is an interruptible service which shall consist of: (a) the receipt ~~by~~ of Southern Star of gas quantities (Parked Quantity) up to the maximum daily quantity specified in the executed Service Agreement, (b) Southern Star holding the Parked Quantity on Southern Star's system, and (c) redelivery of thermally equivalent quantities at the same point where PLS Shipper tendered the gas to Southern Star, subject to Section 5 of this rate schedule. Parked Quantities may be delivered to Southern Star by PLS Shipper (1) at a logical (non-physical) point in either the Production Area or in the Market Area under a gas transportation service agreement, or (2) at any pool as defined in Rate Schedule PS under a pooling service agreement.
 - (ii) **Loan Service.** Loan Service is an interruptible service which shall consist of (a) PLS Shipper receiving gas quantities (Loaned Quantity) from Southern Star up to the maximum daily quantity specified in the executed PLS Service Agreement, and (b) the subsequent return of the Loaned Quantity to Southern Star at the same point where PLS Shipper borrowed the gas, subject to Section 5 of this rate schedule. Loaned Quantities may be received from Southern Star by PLS Shipper (1) at a logical point (non-physical) in the Production Area or in the Market Area, or (2) at any pool as defined in Rate Schedule PS.

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GENERAL TERMS AND CONDITIONS

3. QUALITY (Cont'd)

- (c) Oxygen: The gas shall not contain in excess of two-tenths of one percent (0.2%) by volume of oxygen, and every reasonable effort shall be made to keep the gas completely free of oxygen.
- (d) Carbon Dioxide: The gas shall contain not more than one percent (1%) by volume of carbon dioxide.
- (e) Hydrogen: Gas from crude oil refineries shall contain no more than trace amounts of free hydrogen.
- (f) Dust, Gums, etc.: The gas shall be commercially free of dust, gums, dirt, paraffin, impurities and other solid matter.
- (g) Heating Value: The gas shall have a gross heating value of not less than nine hundred fifty (950) Btu's per cubic foot, assuming no water vapor. The term "gross heating value" when applied to a cubic foot of gas shall mean the number of Btu's produced by the complete combustion of the amount of the gas which would occupy a volume of one (1) cubic foot at 14.73 psia and a temperature of sixty degrees Fahrenheit (60 deg. F.).
- (h) Temperature: The temperature of the gas at the receipt point shall not exceed one hundred twenty degrees Fahrenheit (120 deg F.).
- (i) Water Vapor: Gas received in Kansas, Oklahoma, Missouri, or Texas shall not contain more than seven (7) pounds of water in vapor phase per million cubic feet and gas received in Colorado or Wyoming shall not contain more than five (5) pounds of water in vapor phase per million cubic feet, except for gas tendered to Southern Star at a receipt point where Southern Star owns and operates the equipment necessary to reduce the water vapor content of the gas to meet this requirement.
- (j) Notwithstanding the provisions of paragraphs (a) through (i) above, gas quality varies throughout segments of Southern Star's pipeline system based on the function of each segment. The quality of the gas delivered by Shipper to Southern Star must, in Southern Star's reasonable discretion, be compatible with the gas typically existing in the segment of Southern Star's pipeline into which Shipper makes delivery and be acceptable for delivery into interconnects with interstate and intrastate pipelines, plants, end-users or directly connected local distribution companies.

GENERAL TERMS AND CONDITIONS

3. QUALITY (Cont'd)

If in any segment(s) of Southern Star's system gas is not interchangeable or acceptable for deliveries into interconnects with interstate and intrastate pipelines, plants, end-users or directly connected local distribution companies, then Southern Star may, from time to time, as operationally necessary, post notice on the Informational Postings portion of CSI of additional gas quality specifications or different gas quality limits to ensure that the gas quality on such segment(s) is interchangeable and acceptable for delivery into such interconnects. Southern Star will provide as much prior notice of any such limitation as reasonably practicable and will attempt to provide this prior notice in the posting at least ten (10) days before the beginning of the month in which the limitation is to be effective.

If, at any time, gas tendered to Southern Star shall fail to substantially conform to any of the applicable quality specifications and Southern Star notifies the Shipper of such deficiency, and such deficiency is not corrected within a reasonable period of time, Southern Star may, at its option, refuse to accept delivery pending correction of the deficiency by Shipper or continue to accept delivery and make such changes necessary to cause the gas to conform to such specifications, in which event, prior to making such changes, Southern Star shall provide Shipper with an estimate of the costs that are expected to be incurred by Southern Star in effecting such changes and Shipper shall agree to reimburse Southern Star for all such costs incurred by Southern Star in effecting such changes; provided, however, that Southern Star may at any time refuse to accept delivery of gas which it considers to be unsafe or hazardous or to impair the operation or use of its facilities. Failure by Shipper to tender deliveries that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the rights and obligations existing under any other provisions of the executed Service Agreement.

GENERAL TERMS AND CONDITIONS

9. SCHEDULING, CURTAILMENT AND IMBALANCES

This section sets forth procedures for nomination and scheduling of service on Southern Star's system, curtailment in the event of unexpected loss of capacity after gas has been scheduled, and the treatment of imbalances. This section applies to all transportation and storage services, including services utilizing reassigned firm capacity, provided under rate schedules contained in this Volume No. 1 tariff.

9.1 Nomination Procedures

- (a) Shippers under Rate Schedules TSS and STS (no-notice service) are required to nominate quantities at receipt points from Southern Star's Master Receipt Point List into Southern Star's transmission system, quantities at the production area/market area interface, and quantities at the production area pools and Market Area Pool, but not storage injection or withdrawal quantities or delivery quantities to primary delivery points (except the production area/market area interface and Market Area Pool); provided, however, that to the extent that component parts of TSS service have been assigned and the components retained by the Releasing Shipper are not within the storage to flowing supply ratio permitted in Rate Schedule TSS, deliveries must be nominated.
- (b) Southern Star will deliver gas to a Shipper hereunder, up to the Shipper's MDTQ, when that Shipper has provided a thermally equivalent quantity, plus fuel and loss, to Southern Star on the same gas day, either at designated receipt point(s) or from Shipper's storage gas. Shippers under all rate schedules except TSS and STS shall use their best efforts to deliver and receive gas at uniform daily rates of flow.
- (c) All nominations must include Shipper defined begin dates and end dates. All nominations excluding intraday nominations have roll-over options. Specifically, a Shipper has the ability to nominate for several days, months, or years provided the nomination begin and end dates are within the term of Shipper's Service Agreement. Daily nominations do not replace the remainder of a standing nomination unless the end date is equal to or greater than the end date of the standing nomination.

GENERAL TERMS AND CONDITIONS

13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

13.2 Method of Calculation of Transmission System Fuel and Loss (Cont'd)

Actual fuel consumed at each compressor station or other fuel consuming facility attributable to transmission operations is measured.

Over or under recovery of fuel and loss in each area is calculated by comparing the actual fuel and loss incurred during the preceding twelve-month period (January through December) to the quantity of gas retained under the fuel and loss reimbursement percentage which was in effect during each month of such period. The quantity retained is calculated using the actual fuel and loss reimbursement percentage before adjustment for ~~under or~~ over or under recoveries during the prior period.

13.3 Filing of Storage Fuel and Loss Reimbursement Percentages

Southern Star shall file revised storage fuel and loss reimbursement percentages each year based on actuals for the preceding twelve-month period ended December 31. Such annual filing shall be made no later than March 1 to be effective April 1.

13.4 Method of Calculation of Storage Fuel and Loss

The storage fuel reimbursement percentage shall have two components: a current charge and a surcharge.

Actual fuel consumed at each storage compressor station or other storage fuel consuming facility attributable to storage operations is measured.

GENERAL TERMS AND CONDITIONS

13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

13.4 Method of Calculation of Storage Fuel and Loss (Cont'd)

The current charge portion of the storage fuel reimbursement percentage shall be calculated each year based on the actual storage fuel divided by the most recent three-year average of actual customer storage injections.

The surcharge portion of the storage fuel reimbursement percentage shall be calculated by dividing the over or under collections by the most recent three-year average of actual customer storage injections. Over or under recovery of storage fuel is calculated by comparing the actual storage fuel incurred during the preceding twelve-month period (January through December) to the quantity of gas retained under the current charge portion of the storage fuel reimbursement percentage which was in effect during each month of such period. The quantity retained is calculated by multiplying the actual customer storage injections times the current charge portion of the storage fuel reimbursement percentage in effect during the calculation period.

The storage loss reimbursement percentage shall have two components: a current charge and a surcharge.

Storage loss is calculated annually at the end of the injection cycle based on shut-in pressure tests for each field taken at the end of the withdrawal and injection cycles. If Southern Star adjusts the results of the storage loss calculation for any field, Southern Star shall include in its annual filing a request for waiver, the original results of the storage loss calculation, the adjusted storage loss and an explanation as to why the storage loss for the field was adjusted.

Except as necessary to meet operational demands, SSC shall: (i) perform the end-of-the-injection-cycle shut-in pressure test on each field at the point in time when SSC reasonably believes the field is at or near the highest inventory level that will be achieved; and (ii) perform the end-of-the-withdrawal-cycle shut-in pressure test on each field at the point in time when SSC reasonably believes the field is at or near its lowest inventory level that will be achieved. If operational demands significantly affect its ability to perform the shut-in pressure test(s) as

GENERAL TERMS AND CONDITIONS

13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

13.4 Method of Calculation of Storage Fuel and Loss (Cont'd)

~~affected its ability to perform the shut-in pressure test(s) as~~ described above, SSC shall provide a detailed explanation of such operational demands in its annual filing.

The current charge portion of the storage loss reimbursement percentage shall be calculated each year based on the most recent three-year average of actual storage losses divided by the most recent three-year average of actual customer storage injections.

The surcharge portion of the storage loss reimbursement percentage shall be calculated as follows:

Beginning on the effective date of this Section 13.4, Southern Star shall maintain an over or under recovery account of storage losses. Such account shall be increased or decreased for the actual storage losses or gains calculated annually based on the shut-in pressure tests; and increased or decreased for the quantity of gas retained or returned to customers. The quantity of gas retained or returned shall be calculated by multiplying the actual customer storage injections times the storage loss reimbursement percentage in effect during the calculation period. If the balance in such account exceeds 500,000 Dth, either positive or negative, at December 31 of any year, Southern Star will calculate a positive or negative surcharge to be effective April 1 of the following year. Such surcharge shall be calculated by dividing the volume of gas that exceeds 500,000 Dth by the most recent three-year average of actual customer storage injections.

In the event the storage fuel and loss reimbursement provision herein is substantially amended or terminated, Southern Star may calculate a surcharge to recover any underrecovery in such account and shall calculate a surcharge to refund any overrecovery in such account.

GENERAL TERMS AND CONDITIONS

24. TYPES ~~AND PORTABILITY~~ OF DISCOUNTS

24.1 Types of Discounts

Various rate schedules permit Southern Star to discount its rates between its maximum and minimum rates on a basis that is not unduly discriminatory. From time to time Shipper and Southern Star may agree in writing on a level of discount of the otherwise applicable rates and charges in addition to a basic discount from the stated maximum rates. For example, Southern Star may provide a specific discounted rate:

- (i) to certain specified quantities under the Service Agreement,
- (ii) if specified quantity levels are actually achieved or with respect to quantities below a specified level,
- ~~(iii) to production reserves committed by the Shipper,~~
- ~~(iiiiv)~~ during specified time periods,
- ~~(iv)~~ to points of receipt, points of delivery, supply areas, or defined geographical areas,
- ~~(vi)~~ in a specified relationship to the quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to quantities actually transported),
- ~~(vii)~~ based on a formula including, but not limited to, published index prices for specific receipt or delivery points or other agreed-upon pricing reference points for price determination, provided that, any such discount will produce a rate per unit of contract demand,
- ~~(viii)~~ that provides for increasing (or decreasing) a discounted rate for service under one rate schedule to make up for a decrease (or increase) in the maximum rate for a separate service provided under another rate schedule, and any such discount shall specify the rate component to be discounted, or
- ~~(viiiix)~~ to production reserves, supplies or markets committed by Shipper.

In all circumstances the discount provided shall not change the underlying rate design, and the resulting discounted rate shall be between the maximum rate and the minimum rate applicable to the service provided.

GENERAL TERMS AND CONDITIONS

24. TYPES ~~AND PORTABILITY~~ OF DISCOUNTS (Cont'd)

24.1 Types of Discounts (Cont'd)

Such forms of discounts shall not be considered a material deviation from Southern Star's pro forma service agreement as a result of such discount and Southern Star shall not be required to file such agreement with the Commission as a non-conforming contract because of such discount. Southern Star shall, however, file any required reports related to such discounts pursuant to the Commission's regulations.

In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable Maximum Rate at the time the discount agreement was executed subsequently exceeds the applicable Maximum Rate due to a change in Southern Star's Maximum Rates so that such rate component must be adjusted downward to equal the new applicable Maximum Rate, then other rate components may be adjusted upward to achieve the agreed upon overall rate, as long as none of the resulting rate components exceed the Maximum Rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission Order accepts revised tariff sheet rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates, which ultimately are found to be just and reasonable.

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE PLS
Parking Service

Exhibit A-____

Creation Date _____

Or, if applicable, revised effective _____

Reference is made to that PLS Service Agreement by and between Southern Star and
_____ (PLS Shipper), dated _____.

Southern Star and PLS Shipper agree, pursuant to the referenced service agreement, to a Service Order under the following terms:

Term of Service Order:

This Service Order shall become effective on _____ and shall
continue in full force and effect for an original term ending at the beginning of the gas
day effective _____.

PLS shipper shall be charged the current maximum tariff rate unless otherwise agreed to in an
associated discount letter or negotiated rate agreement.

Parking Point of Service _____

Maximum Daily Quantity _____

Maximum Total Parked Quantity _____

If you are in agreement, please indicate by executing below.

[SHIPPER] SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

By _____ By _____
(Signature) (Signature)

Name _____ Name _____
(Please type or print) (Please type or print)

Title _____ Title _____
(Please type or print) (Please type or print)

Date _____ Date _____

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE PLS
Loan Service

Exhibit B-____
Creation Date _____

Or, if applicable, revised effective _____

Reference is made to that PLS Service Agreement by and between Southern Star and
_____ (PLS Shipper), dated _____.

Southern Star and PLS Shipper agree, pursuant to the referenced service agreement, to a Service Order under the following terms:

Term of Service Order:

This Service Order shall become effective on _____ and shall
continue in full force and effect for an original term ending at the beginning of the gas
day effective _____.

PLS shipper shall be charged the current maximum tariff rate unless otherwise agreed to in an
associated discount letter or negotiated rate agreement.

Loan Point of Service _____

Maximum Daily Quantity _____

Maximum Total Loaned Quantity _____

If you are in agreement, please indicate by executing below.

[SHIPPER] SOUTHERN STAR CENTRAL GAS PIPELINE, INC.

By _____ By _____
(Signature) (Signature)

Name _____ Name _____
(Please type or print) (Please type or print)

Title _____ Title _____
(Please type or print) (Please type or print)

Date _____ Date _____

FERC GAS TARIFF
ORIGINAL VOLUME NO. 2
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Vice President and Chief ~~Commercial Services~~Marketing Officer
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