

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

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## PRELIMINARY STATEMENT

Southern Star Central Gas Pipeline, Inc., a Delaware corporation (hereinafter sometimes referred to as "Southern Star"), is a natural gas company engaged in the business of transporting natural gas directly to industries and to distribution companies and pipeline systems in the States of Texas, Oklahoma, Kansas, Missouri, Nebraska, Colorado, and Wyoming.

## GENERAL SYSTEM MAP

The General System Map may be displayed and downloaded at the Internet Web site below:

<https://csimain.southernstar.com/EBBPostingDocs/Other/TariffShark/GeneralSystem.pdf>

## PRODUCTION AREA MAP

The Production Area Map may be displayed and downloaded at the Internet Web site below:

<https://csimain.southernstar.com/EBBPostingDocs/Other/TariffShark/ProductionArea.pdf>

## MARKET AREA MAP

The Market Area Map may be displayed and downloaded at the Internet Web site below:

<https://csimain.southernstar.com/EBBPostingDocs/Other/TariffShark/MarketArea.pdf>



## POOLING AREAS MAP

The Pooling Areas Map may be displayed and downloaded at the Internet Web site below:

<https://csimain.southernstar.com/EBBPostingDocs/Other/TariffShark/PoolingAreas.pdf>

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 AND OTHER RELATED SERVICES

		Minimum Rate 1/ & 5/ -----	Maximum Rate 1/ & 5/ -----
TSS-P	Reservation - FSS - Deliverability	\$ 0.0000	\$ 0.0474
	Reservation - FSS - Capacity 4/	0.0000	0.0014
	Reservation - FTS-P	0.0000	0.2761
	Injection - FSS	0.0175	0.0175
	Withdrawal - FSS	0.0175	0.0175
	Commodity - FTS-P	0.0100	0.0100
	Authorized Overrun - FSS - Deliverability 2/	0.0000	0.0474
	Authorized Overrun - FSS - Capacity	0.0000	0.0014
	Authorized Overrun - FTS-P	0.0100	0.2861
	CRM Surcharge – S 6/	0.0000	0.0034
	CRM Surcharge – P 7/	0.0000	0.0113
TSS-M	Reservation - FSS - Deliverability	0.0000	0.0474
	Reservation - FSS - Capacity 4/	0.0000	0.0014
	Reservation - FTS-P 3/	0.0000	0.2761
	Reservation - FTS-M	0.0000	0.2150
	Injection - FSS	0.0175	0.0175
	Withdrawal - FSS	0.0175	0.0175
	Commodity - FTS-P 3/	0.0100	0.0100
	Commodity - FTS-M	0.0149	0.0149
	Authorized Overrun - FSS - Deliverability 2/	0.0000	0.0474
	Authorized Overrun - FSS - Capacity	0.0000	0.0014
	Authorized Overrun - FTS-P 3/	0.0100	0.2861
	Authorized Overrun - FTS-M	0.0149	0.2299
	CRM Surcharge – S 6/	0.0000	0.0034
	CRM Surcharge – P 7/	0.0000	0.0113
	CRM Surcharge – M 8/	0.0000	0.0140

Fuel Reimbursement Percentages applicable to all Rate Schedules are shown on Sheet No. 13.

1/ Reservation Rates are per Dth of MDTQ per day for transportation and per Dth of MDWQ for storage.

Commodity Rates are per Dth.

2/ Applicable to Injections/Withdrawals in excess of MDIQ or MDWQ, in addition to the injection/  
 withdrawal charge.

3/ FTS-P is only applicable if firm capacity is reserved in the Production Area.

4/ Reservation Rates are per Dth of MSQ per day.

5/ These rates shall be increased, where applicable, to include the ACA unit charge pursuant to Section 26 of the  
 General Terms and Conditions.

6/ Surcharge in addition to rates for Reservation - FSS - Deliverability and Authorized Overrun - FSS -  
 Deliverability pursuant to Section 32 of the General Terms and Conditions.

7/ Surcharge in addition to rates for Reservation - FTS-P and Authorized Overrun - FTS-P pursuant to Section 32 of  
 the General Terms and Conditions.

8/ Surcharge in addition to rates for Reservation - FTS-M and Authorized Overrun - FTS-M pursuant to Section 32  
 of the General Terms and Conditions.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 AND OTHER RELATED SERVICES

		Minimum Rate 3/ -----	Maximum Rate 3/ -----
STS-P	Commodity	\$ 0.0100	\$ 1.7312
	Authorized Overrun	0.0100	1.7312
	CRM Surcharge – P 4/	0.0000	0.0113
	Authorized Overrun - FSS - Deliverability 1/	0.0000	0.0474
	CRM Surcharge – S 5/	0.0000	0.0034
	Authorized Overrun - FSS - Capacity	0.0000	0.0014
STS-M	Commodity - STS-P 2/	0.0100	0.7298
	Authorized Overrun - STS-P 2/	0.0100	0.7298
	CRM Surcharge – P 4/	0.0000	0.0113
	Commodity - STS-M	0.0149	1.2781
	Authorized Overrun - STS-M	0.0149	1.2781
	CRM Surcharge – M 4/	0.0000	0.0140
	Authorized Overrun - FSS - Deliverability 1/	0.0000	0.0474
	CRM Surcharge – S 5/	0.0000	0.0034
	Authorized Overrun - FSS - Capacity	0.0000	0.0014

Fuel Reimbursement Percentages applicable to all Rate Schedules are shown on Sheet No. 13.

1/ Applicable to Injections/Withdrawals in excess of MDIQ or MDWQ, in addition to the injection/  
 withdrawal charge.

2/ STS-P is only applicable if firm capacity is reserved in the Production Area.

3/ These rates shall be increased, where applicable, to include the ACA unit charge pursuant to Section 26 of the  
 General Terms and Conditions.

4/ Surcharge in addition to rates for Commodity and Authorized Overrun pursuant to Section 32 of the General  
 Terms and Conditions.

5/ Surcharge in addition to rates for Authorized Overrun - FSS - Deliverability pursuant to Section 32 of the General  
 Terms and Conditions.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 AND OTHER RELATED SERVICES

		Minimum Rate 1/ & 2/ -----	Maximum Rate 1/ & 2/ -----
FTS-P	Reservation	\$ 0.0000	\$ 0.2761
	Commodity	0.0100	0.0100
	Authorized Overrun	0.0100	0.2861
	CRM Surcharge – P 3/	0.0000	0.0113
FTS-M	Reservation	0.0000	0.2150
	Commodity	0.0149	0.0149
	Authorized Overrun	0.0149	0.2299
	CRM Surcharge – M 3/	0.0000	0.0140

Fuel Reimbursement Percentages applicable to all Rate Schedules are shown on Sheet No. 13.

1/ Reservation Rates are per Dth of MDTQ per day. Commodity Rates are per Dth.

2/ These rates shall be increased, where applicable, to include the ACA unit charge pursuant to Section 26 of the General Terms and Conditions.

3/ Surcharge in addition to rates for Reservation and Authorized Overrun pursuant to Section 32 of the General Terms and Conditions.

STATEMENT OF RATES FOR TRANSPORTATION OF NATURAL GAS  
 AND OTHER RELATED SERVICES

		Minimum Rate 1/ & 4/ -----	Maximum Rate 1/ & 4/ -----
ITS-P	Commodity	\$ 0.0100	\$ 0.2861
	CRM Surcharge – P 5/	0.0000	0.0113
ITS-M	Commodity	0.0149	0.2299
	CRM Surcharge – M 5/	0.0000	0.0140
FSS	Deliverability Reservation	0.0000	0.0474
	Capacity Reservation 8/	0.0000	0.0014
	Injection	0.0175	0.0175
	Withdrawal	0.0175	0.0175
	Authorized Overrun - Deliverability 3/	0.0000	0.0474
	Authorized Overrun - Capacity	0.0000	0.0014
	CRM Surcharge – S 6/	0.0000	0.0034
ISS	Commodity 2/	0.0000	0.0028
	Injection	0.0175	0.0175
	Withdrawal	0.0175	0.0175
	CRM Surcharge – S 7/	0.0000	0.0034
PLS-P	Daily Commodity	0.0000	0.2861
PLS-M	Daily Commodity	0.0000	0.2299

Fuel Reimbursement Percentages applicable to all Rate Schedules are shown on Sheet No. 13.

1/ Reservation Rates are per Dth of MDTQ per day for transportation and per Dth of MDWQ for storage. Commodity Rates are per Dth.

2/ Applied to daily storage balance.

3/ Applicable to Injections/Withdrawals in excess of MDIQ or MDWQ, in addition to the Injections/Withdrawal charge.

4/ These rates shall be increased, where applicable, to include the ACA unit charge pursuant to Section 26 of the General Terms and Conditions.

5/ Surcharge in addition to rates for Commodity pursuant to Section 32 of the General Terms and Conditions.

6/ Surcharge in addition to rates for Deliverability Reservation and Authorized Overrun – Deliverability pursuant to Section 32 of the General Terms and Conditions.

7/ Surcharge in addition to rates for Injection pursuant to Section 32 of the General Terms and Conditions.

8/ Reservation Rates are per Dth of MSQ per day.

VOLUMETRIC FIRM CAPACITY RELEASE MAXIMUM RATES 3/  
 STATED AT 100% LOAD FACTOR

		Maximum Rate 1/ & 4/ -----
TSS-P	Reservation - FSS 2/	\$ 0.0028
	Reservation - FTS-P	0.2761
	CRM Surcharge – S 5/	0.0034
	CRM Surcharge – P 6/	0.0113
TSS-M	Reservation - FSS 2/	0.0028
	Reservation - FTS-P	0.2761
	Reservation - FTS-M	0.2150
	CRM Surcharge – S 5/	0.0034
	CRM Surcharge – P 6/	0.0113
	CRM Surcharge – M 7/	0.0140
FTS-P	Reservation	0.2761
	CRM Surcharge – P 6/	0.0113
FTS-M	Reservation	0.2150
	CRM Surcharge – M 7/	0.0140
FSS	Reservation 2/	0.0028
	CRM Surcharge – S 5/	0.0034

Fuel Reimbursement Percentages applicable to all Rate Schedules are shown on Sheet No. 13.

1/ Exclusive of any surcharges and commodity charges.

2/ Applied to daily storage balance.

3/ Does not apply to capacity release transactions of one year or less beginning July 30, 2008.

4/ These rates shall be increased, where applicable, to include the ACA unit charge pursuant to Section 26 of the General Terms and Conditions.

5/ Surcharge in addition to rates for Reservation - FSS pursuant to Section 32 of the General Terms and Conditions.

6/ Surcharge in addition to rates for Reservation - FTS-P pursuant to Section 32 of the General Terms and Conditions.

7/ Surcharge in addition to rates for Reservation - FTS-M pursuant to Section 32 of the General Terms and Conditions.

STATEMENT OF MARKET-BASED RATES FOR STORAGE OF NATURAL GAS

<u>Rate Schedule</u>	<u>Min Rate</u>	<u>Max Rate</u>
FS1		
Reservation 1/	Rate Negotiated	
Injection	\$ 0.0175	\$ 0.0175
Withdrawal	\$ 0.0175	\$ 0.0175
Authorized Overrun 2/	Rate Negotiated	
IS1		
Commodity 3/	Rate Negotiated	
Injection	\$ 0.0175	\$ 0.0175
Withdrawal	\$ 0.0175	\$ 0.0175

1/ Reservation rates are per Dth of MSQ per day.

2/ Applicable to Injections/Withdrawals in excess of the MDIQ or MDWQ (in addition to the Injections/Withdrawals charge) and to MSQ overruns.

3/ Commodity rates are per Dth of storage ending inventory balance per day.

FUEL REIMBURSEMENT PERCENTAGES  
FOR ALL RATE SCHEDULES

	Minimum Percent -----	Maximum Percent -----
Storage Injection	3.24%	3.24%
Production Area	0.12% 1/	0.80%
Market Area	0.12%	0.58%

1/ Applicable as provided in Section 13.5 of the General Terms and Conditions.



SHEET NOS. 14 - 16 ARE RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

SHEET NOS. 18 - 99 ARE RESERVED FOR FUTURE USE

TSS RATE SCHEDULE  
Trans-Storage Service

TSS-P Production Area  
TSS-M Market Area

1. AVAILABILITY

This rate schedule is available to any customer (Shipper) 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 TSS-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 TSS-M, under the following conditions:

- (a) 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.
- (b) Shipper shall provide the information, fees and other payments specified by Section 8 of the General Terms and Conditions and shall execute a TSS-P Service Agreement or a TSS-M 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), and a Maximum Storage Quantity (MSQ).
- (c) 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.

TSS RATE SCHEDULE  
Trans-Storage Service

TSS-P Production Area  
TSS-M Market Area

1. AVAILABILITY (Cont'd)

- (d) Service under this rate schedule is available at all existing and new delivery points except for delivery points to other pipelines. In addition, no delivery point may be utilized by more than one no-notice Service Agreement under Rate Schedules TSS or STS unless a predetermined allocation agreement (PDA) as provided in Section 5 of the General Terms and Conditions is in effect covering all gas delivered at such delivery point.
- (e) Any of the component parts of Rate Schedule TSS-P (FTS-P and FSS) or of Rate Schedule TSS-M (FTS-P, FTS-M, and FSS) may be separately assigned. If any component parts of Rate Schedule TSS-P or TSS-M are separately assigned, the assignee shall have no rights to receive "no-notice" service under this rate schedule; however, subject to the provisions of Section 11 of the General Terms and Conditions, the assignee of the FTS component shall have the same receipt and delivery point flexibility as any other Shipper under Rate Schedule FTS. In addition, Southern Star's obligation to provide no-notice service to any assignor under this rate schedule shall be limited to the service retained by such assignor only to the extent the component parts of such retained service are within the range of permissible MDTQs as specified in Section 2 (d) of this rate schedule. Any additional service retained by assignor beyond these proportions shall be treated as stand-alone, nominated, component-part service(s).
- (f) During the summer season (April through October), any of the component parts of Rate Schedule TSS-P (FTS-P and FSS) or of Rate Schedule TSS-M (FTS-P, FTS-M, and FSS) may be separated by a TSS Shipper for the TSS Shipper's own use as stand-alone, nominated, component-part service(s) to the extent operationally feasible by the TSS shipper releasing such capacity to itself (i.e., as its own asset manager). If the component parts of Rate Schedule TSS-P or TSS-M are so separated, the TSS Shipper shall have no rights to receive "no-notice" service under this rate schedule; however, subject to the provisions of Section 11 of the General Terms and Conditions, the TSS Shipper shall have the same receipt and delivery point flexibility as any other Shipper under Rate Schedule FTS. Southern Star's obligation to provide no-notice service to the TSS Shipper under this rate schedule shall be limited to the service retained by such TSS Shipper as TSS service only to the extent the component parts of such retained service are

TSS RATE SCHEDULE  
Trans-Storage Service

TSS-P Production Area  
TSS-M Market Area

1. AVAILABILITY (Cont'd)

within the range of permissible MDTQs as specified in Section 2 (d) of this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to transportation and storage of gas by Southern Star pursuant to the executed TSS Service Agreement.
- (b) Service under this rate schedule shall be on a firm basis up to the MDTQ for each area; the MSQ, MDIQ and MDWQ for storage; and the MDQ for each Primary Receipt and Primary Delivery Point specified in the executed TSS Service Agreement. Service shall consist of the acceptance by Southern Star of natural gas tendered by Shipper at the Primary Receipt Point(s) on Southern Star's system specified in the executed TSS Service Agreement, the storage of gas, the transportation of such gas through Southern Star's pipeline system, and the delivery of a quantity of natural gas on a no-notice basis with the thermal equivalent of the quantity received at the Primary Receipt Point(s) and from storage, after the appropriate reductions for fuel and loss, up to the MDTQ for each area and the MDQ specified in the executed TSS Service Agreement, to Shipper or for Shipper's account at the Primary Delivery Point(s) on Southern Star's system specified in the executed TSS Service Agreement. Shippers may also utilize secondary receipt and delivery points as specified in Section 4 of the General Terms and Conditions.
- (c) Gas stored under this rate schedule may be sold in place to other parties having sufficient available Rate Schedules FSS or ISS storage capacity. Parties wishing to make sales of gas in place must notify Southern Star in writing that such sale has occurred by the effective date of the transaction.

TSS RATE SCHEDULE  
Trans-Storage Service

TSS-P Production Area  
TSS-M Market Area

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (d) Any Shipper under this rate schedule shall specify a MDTQ by area in the executed Trans-Storage Service Agreement. When Shipper requires deliveries at its MDTQ, at least one-third of but no more than one-half of the total deliveries of gas shall be from flowing supply sources and at least one-half of but no more than two-thirds of the total deliveries of gas shall be from storage. Shippers under Rate Schedule TSS-M shall have transportation quantity rights in the Market Area equal to the MDTQ of the service agreement, firm storage withdrawal rights equal to at least one-half of but no more than two-thirds of the MDTQ of the service agreement, and transportation quantity rights in the Production Area (if applicable) equal to no more than one-half of the MDTQ of the service agreement (plus all fuel and loss in the Market Area). Shippers under Rate Schedule TSS-P shall have transportation quantity rights in the Production Area equal to the MDTQ under the service agreement and firm storage withdrawal rights equal to at least one-half of but no more than two-thirds of the MDTQ under the service agreement.

3. RATE

- (a) Shipper shall agree to pay for all services rendered under the executed Trans-Storage Service Agreement in accordance with this Rate Schedule TSS, or any superseding rate schedule(s) applicable to such service, as filed with the Federal Energy Regulatory Commission or its successor, and as may be lawfully revised from time to time. The initial rates and all subsequent revisions to such rates shall be provided in writing to Shipper by Southern Star.

TSS RATE SCHEDULE  
Trans-Storage Service

TSS-P Production Area  
TSS-M Market Area

3. RATE (Cont'd)

- (b) The maximum and minimum TSS rates for each component part of this service (FTS-P, FTS-M, and FSS) shall be the Currently Effective Rates shown on the effective applicable rate Tariff Sheet Nos. 8-12 in Volume No. 1 of this Tariff. TSS-P rates are applicable to the injection of gas into or withdrawal of gas from storage (FSS) and the delivery of gas in the Production Area which was received in the Production Area (FTS-P). TSS-M rates are applicable to the injection of gas in the Market Area which was received in the Production or Market Areas (FTS-P and FTS-M).
- (c) Southern Star may charge any rate between the maximum and minimum rates stated on the applicable Tariff Sheet Nos. 8-12 on a non-discriminatory basis. Shipper's delivery of gas quantities to Southern Star after the effective date of any discounted rates shall be deemed acceptance by Shipper of such rates; provided, however, that this provision does not limit a Shipper's right to receive any refunds to which such Shipper may otherwise be entitled. The rate for reassigned capacity under this rate schedule will be established pursuant to Section 11 of the General Terms and Conditions. Southern Star shall file all required reports with the Federal Energy Regulatory Commission.
- (d) Southern Star is not required to offer or provide service at any rate less than the maximum rate(s) or charge(s) specified on the applicable Tariff Sheet Nos. 8-12. Shipper shall pay such maximum rate(s) for service under this Rate Schedule unless Southern Star, in its sole judgment, agrees to discount its rate(s) to Shipper consistent with the applicable provisions of this tariff. Further, notwithstanding the foregoing, Shipper and Southern Star may mutually agree to a negotiated rate pursuant to Section 28 of the General Terms and Conditions.
- (e) The charges for service under this rate schedule shall also include other allocated costs or any surcharges permitted by the Federal Energy Regulatory Commission on any component part of such service.



TSS RATE SCHEDULE  
Trans-Storage Service

TSS-P Production Area  
TSS-M Market Area

3. RATE (Cont'd)

- (f) Fuel and loss is to be reimbursed in kind and is separately stated for each of the component parts of this service. Fuel and Loss for FTS-P will be based on received quantities. Fuel and loss for FTS-M will be based upon received quantities. Fuel and loss for FSS will be based upon the net daily quantities injected into storage.

4. MONTHLY BILL

The bill for deliveries during each billing period under this rate schedule shall be calculated using the applicable Reservation Charge(s), the applicable Commodity Charge(s), and the applicable surcharges, as follows:

- (a) (i) The Reservation Charge for TSS-P Service shall be the product of (1) the sum of the daily quantity rights for each component part of TSS-P (FTS-P and FSS) and (2) the applicable Maximum Reservation Rate for the component part services of TSS-P or such lesser Reservation Rate(s) as may have been made effective from time to time during the billing period, plus any applicable reservation surcharges.
- (ii) The Reservation Charge for TSS-M shall be the product of (1) the sum of the daily quantity rights for each component part of TSS-M (FTS-P if applicable, FTS-M and FSS) and (2) the applicable Maximum Reservation Rate for the component part services of TSS-M or such lesser Reservation Rate(s) as may have been made effective from time to time during the billing period, plus any applicable reservation surcharges.
- (iii) Southern Star will not assess reservation surcharges on deliveries to interfaces (except for the CRM surcharge as covered in Section 32 of the GT&C) or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.

TSS RATE SCHEDULE  
Trans-Storage Service

TSS-P Production Area  
TSS-M Market Area

4. MONTHLY BILL (Cont'd)

- (b) (i) The Commodity Charge for TSS-P Service shall be the sum of (1) the sum of the net daily quantities injected into or withdrawn from storage during the billing period times the applicable Commodity Rate for the FSS component of TSS-P service, plus applicable commodity surcharges, and (2) the sum of the daily quantities delivered in the Production Area and from a Production Area pool to the Market Area Pool during the billing period times the applicable Commodity Rate for the FTS-P component of TSS-P service, plus applicable commodity surcharges.
- (ii) The Commodity Charge for TSS-M service shall be the sum of (1) the sum of the net daily quantities injected into or withdrawn from storage during the billing period times the applicable Commodity Rate for the FSS component of TSS-M services, plus applicable commodity surcharges, (2) the sum of the daily quantities delivered to the Production Area/Market Area Interface and to the Market Area Pool during the billing period times the applicable Commodity Rate for the FTS-P component of TSS-M, plus applicable commodity surcharges, and (3) the sum of the daily quantities delivered in the Market Area during the billing period times the applicable Commodity Rate for the FTS-M component of TSS-M service, plus applicable commodity surcharges.
- (iii) Southern Star will not assess commodity surcharges on deliveries to interfaces (except for the CRM surcharge as covered in Section 32 of the GT&C) or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.
- (c) The bill shall include any daily Authorized Overrun Delivery charge determined pursuant to Section 5 of this rate schedule.
- (d) The bill shall include any scheduling and balancing charges or penalties determined pursuant to Sections 9 and 10 of the General Terms and Conditions.

TSS RATE SCHEDULE  
Trans-Storage Service

TSS-P Production Area  
TSS-M Market Area

5. AUTHORIZED OVERRUN DELIVERIES

Service under this rate schedule on any day shall not exceed the MDTQ within each area, MDIQ, MSQ, MDWQ or the individual MDQ for each delivery point within such area. However, Southern Star may, at the request of Shipper, receive, store, transport and deliver on any day quantities in excess of the MDTQ, MSQ, MDIQ, MDWQ or of the individual MDQs within each area when, and to the extent, in Southern Star's reasonable judgment, the delivery capacity of its system so permits without impairing the ability of Southern Star to meet its obligations to any of its firm service customers. The applicable maximum and minimum rate for any such overrun deliveries shall be as stated on the effective applicable Tariff Sheet Nos. 8-12, and absent a specific agreement specifying a discounted rate, the maximum rate shall apply. Such Authorized Overrun Deliveries shall be subject to the same operating terms and conditions as are extended to service provided under Rate Schedules ITS and ISS and shall not interrupt flowing STS, TSS, FSS, and FTS service. The authorized overrun charge shall only be charged if the MDTQ, MSQ, MDIQ or the MDWQ for any area is exceeded under any service agreement.

6. STORAGE OPERATIONS

The FSS component part of this rate schedule shall be subject to the terms and provisions of Rate Schedule FSS Sections 2 and 3.

7. OPERATIONAL PLAN AND OPERATIONAL FLOW ORDERS

Southern Star and customers under this Rate Schedule TSS will jointly develop operational plans by March 1 and October 1 of each year. Such plans shall cover injection into and withdrawal from storage, sourcing of receipts, swing supply capability, planned maintenance, and other necessary operational situations. Such plans will guide system operations and will be updated monthly or more frequently if necessary.

Southern Star may issue Operational Flow Orders as provided in Section 10 of the General Terms and Conditions to all Shippers under this rate schedule.

TSS RATE SCHEDULE  
Trans-Storage Service

TSS-P Production Area  
TSS-M Market Area

8. RESERVATION CHARGE CREDITS

If, except for reasons of force majeure, Southern Star is unable to deliver during any one or more days the quantity of natural gas which Shipper delivers to Southern Star and desires to transport from primary receipts points to primary delivery points, up to the MDTQ, then the Reservation Charge as otherwise determined shall be reduced by an amount equal to the difference between the quantity of natural gas actually delivered on the day(s) involved and the quantity of natural gas, up to the MDTQ, which Shipper in good faith demanded to receive on such day(s) times the applicable Reservation Rate and Reservation Surcharges stated on a daily basis.

9. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions, as effective from time to time, are applicable to this rate schedule and hereby made a part hereof.

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.

STS RATE SCHEDULE  
Small Customer Trans-Storage Service

STS-P Production Area  
STS-M Market Area

1. AVAILABILITY (Cont'd)

- (e) Service under this rate schedule is available at all existing and new delivery points except for delivery points to other pipelines. In addition, no delivery point may be utilized by more than one no-notice Service Agreement under Rate Schedules TSS or STS unless a predetermined allocation agreement (PDA) as provided in Section 5 of the General Terms and Conditions is in effect covering all gas delivered at such delivery point.
- (f) Service under this rate schedule may not be assigned under the mechanism provided in Section 11 of the General Terms and Conditions.
- (g) Shippers under this rate schedule may not receive deliveries of gas at delivery points specified on their executed Service Agreement hereunder (1) under Rate Schedule ITS, (2) as a Replacement Shipper under the Firm Capacity Reassignment provisions of Section 11 of the General Terms and Conditions, or (3) from third parties, unless such Shipper has completely utilized its MDTQ hereunder.
- (h) Shippers under this rate schedule may elect to convert an STS Service Agreement to a TSS Service Agreement at the existing contract demand levels in effect for the remainder of the service agreement term by providing written notice to Southern Star. The conversion of the Shipper's service from STS to TSS shall be effective on the first day of the month following sixty (60) days after this notice, or an earlier date as otherwise agreed to by the parties.
- (i) Notwithstanding anything in this Section 1 to the contrary, if a service agreement under this rate schedule is assigned pursuant to the terms of Section 8.11 of the General Terms and Conditions to a Subsequent Shipper (as defined in Section 11.1 of the General Terms and Conditions) who meets the requirements for STS service set forth in Section 1(a) above, the Subsequent Shipper may elect to convert the service agreement to a TSS Service Agreement at the existing contract demand levels in effect for the remainder of the service agreement term, effective immediately upon assignment, so long as the Subsequent Shipper gives Southern Star at least thirty (30) days' notice (or such a shorter notice period as agreed to by the parties) before such assignment.

STS RATE SCHEDULE  
Small Customer Trans-Storage Service

STS-P Production Area  
STS-M Market Area

1. AVAILABILITY (Cont'd)

If a service agreement under this rate schedule is assigned pursuant to the terms of Section 8.11 of the General Terms and Conditions to a Subsequent Shipper who does not meet the requirements for STS service set forth in Section 1(a) above, the service agreement shall be deemed to be converted to a TSS Service Agreement at the existing contract demand levels in effect for the remainder of the service agreement term. The conversion of the Shipper's service from STS to TSS shall be effective immediately upon notice to the Subsequent Shipper by Southern Star.

- (j) Notwithstanding anything in this Section 1 to the contrary, if an STS Shipper ceases to qualify for STS service because it no longer meets all of the requirements for STS service set forth in Section 1(a) above, the Shipper's STS Service Agreement shall be deemed to be converted to a TSS Service Agreement at the existing contract demand levels in effect for the remainder of the service agreement term. Southern Star shall give the Shipper notice of this conversion, and the conversion of the Shipper's service from STS to TSS shall be effective the first day of the month following sixty (60) days after this notice, or an earlier date as otherwise agreed to by the parties.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to transportation and storage of gas by Southern Star pursuant to the executed STS Service Agreement.

STS RATE SCHEDULE  
Small Customer Trans-Storage Service

STS-P Production Area  
STS-M Market Area

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (b) Service under this rate schedule shall be on a firm basis up to the MDTQ for each area, the MDIQ and MDWQ for storage and the MDQ for each Primary Receipt and Primary Delivery Point specified in the executed STS Service Agreement and shall consist of the acceptance by Southern Star of natural gas tendered by Shipper at the Primary Receipt Point(s) on Southern Star's system specified in the executed STS Service Agreement, the storage of gas, the transportation of such gas through Southern Star's pipeline system, and the delivery of a quantity of natural gas on a no-notice basis with the thermal equivalent of the quantity received at the Primary Receipt Point(s) and from storage, after the appropriate reductions for fuel and loss, up to the MDTQ for each area and the MDQ specified in the executed STS Service Agreement, to Shipper or for Shipper's account at the Primary Delivery Point(s) on Southern Star's system specified in the executed STS Service Agreement. Shippers may also utilize secondary receipt points as specified in Section 4 of the General Terms and Conditions.
- (c) Gas stored under this rate schedule may be sold in place to other parties having sufficient available Rate Schedules FSS or ISS storage capacity. Parties wishing to make sales of gas in place must notify Southern Star in writing that such sale has occurred by the effective date of the transaction.



STS RATE SCHEDULE  
Small Customer Trans-Storage Service

STS-P Production Area  
STS-M Market Area

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (d) Any Shipper under this rate schedule shall specify a MDTQ by area in the executed STS Service Agreement. When Shipper requires deliveries at its MDTQ, at least one-third of but no more than one-half of the total deliveries of gas shall be from flowing supply sources and at least one-half of but no more than two-thirds of the total deliveries of gas shall be from storage. Shippers under Rate Schedule STS-M shall have transportation quantity rights in the Market Area equal to the MDTQ of the service agreement, firm storage withdrawal rights equal to at least one-half of but no more than two-thirds of the MDTQ of the service agreement, and transportation quantity rights in the Production Area (if applicable) equal to no more than one-half of the MDTQ of the service agreement (plus all fuel and loss in the Market Area). Shippers under Rate Schedule STS-P shall have transportation quantity rights in the Production Area equal to the MDTQ under the service agreement and firm storage withdrawal rights equal to at least one-half of but no more than two-thirds of the MDTQ under the service agreement.

3. RATE

- (a) Shipper shall agree to pay for all service rendered under the executed STS Service Agreement in accordance with this Rate Schedule STS, or any superseding rate schedule(s) applicable to such service, as filed with the Federal Energy Regulatory Commission or its successor, and as may be lawfully revised from time to time. The initial rates and all subsequent revisions to such rates shall be provided in writing to Shipper by Southern Star.

STS RATE SCHEDULE  
Small Customer Trans-Storage Service

STS-P Production Area  
STS-M Market Area

3. RATE (Cont'd)

- (b) The maximum and minimum STS rates for each component part of this service (FTS-P, FTS-M, and FSS) shall be the Currently Effective Rates shown on the effective applicable Tariff Sheet Nos. 8-12 in Volume No. 1 of this Tariff. STS-P rates are applicable to the injection of gas into or withdrawal of gas from storage (FSS) and the delivery of gas in the Production Area which was received in the Production Area (FTS-P). STS-M rates are applicable to the injection of gas into or withdrawal of gas from storage (FSS) and the delivery of gas in the Market Area which was received in the Production or Market Areas (FTS-P and FTS-M).
- (c) Southern Star may charge any rate between the maximum and minimum rates stated on the applicable Tariff Sheet Nos. 8-12 on a non-discriminatory basis. Shipper's delivery of gas quantities to Southern Star after the effective date of any discounted rates shall be deemed acceptance by Shipper of such rates; provided, however, that this provision does not limit a Shipper's right to receive any refunds to which such Shipper may otherwise be entitled. Southern Star shall file all required reports with the Federal Energy Regulatory Commission.
- (d) Southern Star is not required to offer or provide service at any rate less than the maximum rate(s) or charge(s) specified on the applicable Tariff Sheet Nos. 8-12. Shipper shall pay such maximum rate(s) for service under this Rate Schedule unless Southern Star, in its sole judgment, agrees to discount its rate(s) to Shipper consistent with the applicable provisions of this tariff. Further, notwithstanding the foregoing, Shipper and Southern Star may mutually agree to a negotiated rate pursuant to Section 28 of the General Terms and Conditions.
- (e) The charges for service under this rate schedule shall include any other allocated costs or surcharges permitted by the Federal Energy Regulatory Commission.
- (f) Fuel and loss is to be reimbursed in kind and is separately stated for each of the component parts of this service. Fuel and loss for FTS-M will be based upon received volumes. Fuel and loss for the FTS-P will be based upon received volumes. Fuel and loss under component part FSS will be based upon the net daily quantities injected into storage.

STS RATE SCHEDULE  
Small Customer Trans-Storage Service

STS-P Production Area  
STS-M Market Area

4. MONTHLY BILL

The bill for deliveries during each billing period under this rate schedule shall be calculated using the applicable Commodity Charge and the applicable surcharges, as follows:

- (a) (i) The Commodity Charge for STS-P shall be the product of (1) the sum of the daily quantities delivered in the Production Area and from a Production Area pool to the Market Area Pool during the billing period and (2) the applicable Commodity Rate(s) for STS-P service, plus any applicable surcharges.
- (ii) The Commodity Charge for STS-M shall be the sum of (a) the product of (1) the sum of the daily quantities delivered in the Market Area during the billing period and (2) the applicable Commodity Rate(s) for the STS-M component of STS-M service, and (b) the product of (1) the sum of the daily quantities delivered in the Production Area, to the Production Area/Market Area Interface, and to the Market Area Pool and (2) the applicable commodity rate(s) for the STS-P component of STS-M service, plus any applicable surcharges.
- (iii) Southern Star will not assess commodity surcharges on deliveries to interfaces (except for the CRM surcharge as covered in Section 32 of the GT&C) or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.
- (b) The bill shall include any daily Authorized Overrun Delivery charge determined pursuant to Section 5 of this rate schedule.
- (c) The bill shall include any scheduling and balancing charges or penalties determined pursuant to Sections 9 and 10 of the General Terms and Conditions.

STS RATE SCHEDULE  
Small Customer Trans-Storage Service

STS-P Production Area  
STS-M Market Area

5. AUTHORIZED OVERRUN DELIVERIES

Service under this rate schedule on any day shall not exceed the MDTQ within each area, MDIQ, MSQ, MDWQ, or the individual MDQ for each delivery point within such area; provided, however, Southern Star may, at the request of Shipper, receive, store, transport and deliver on any day quantities in excess of the MDTQ, MDIQ, MDWQ or of the individual MDQs within each area when, and to the extent, in Southern Star's reasonable judgment, the delivery capacity of its system so permits without impairing the ability of Southern Star to meet its full delivery obligations to any of its firm service customers. The applicable maximum and minimum rate for any such overrun deliveries shall be as stated on the effective applicable Tariff Sheet Nos. 8-12, and absent a specific agreement specifying a discounted rate, the maximum rate shall apply. Such Authorized Overrun Deliveries shall be subject to the same operating terms and conditions as are extended to service provided under Rate Schedule ITS and ISS and shall not interrupt flowing STS, TSS, FSS, and FTS service. The authorized overrun charge shall only be charged if the MDWQ, MDIQ, MSQ, or the MDTQ for any area is exceeded under any service agreement.

6. STORAGE OPERATIONS

The FSS component part of this rate schedule shall be subject to the terms and provisions of Rate Schedule FSS Sections 2 and 3.

7. OPERATIONAL PLAN AND OPERATIONAL FLOW ORDERS

Southern Star and customers under this Rate Schedule STS will jointly develop an operational plan by March 1 and October 1 of each year. Such plans shall cover injection into and withdrawal from storage, sourcing of receipts, swing supply capability, planned maintenance, and other necessary operational situations. Such plans will guide system operations and will be updated monthly or more frequently if necessary.

Southern Star may issue Operational Flow Orders as provided in Section 10 of the General Terms and Conditions to all Shippers under this rate schedule.

STS RATE SCHEDULE  
Small Customer Trans-Storage Service

STS-P Production Area  
STS-M Market Area

8. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions, as effective from time to time, are applicable to this rate schedule and hereby made a part hereof.

FTS RATE SCHEDULE  
Firm Transportation Service

FTS-P Production Area  
FTS-M Market Area

1. AVAILABILITY

This rate schedule is available to any customer (Shipper) for the firm transportation of gas through Southern Star's transmission facilities in the Production Area for Rate Schedule FTS-P, through Southern Star's transmission facilities in the Market Area for Rate Schedule FTS-M, or both, under the following conditions:

- (a) 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.
- (b) Shipper shall provide the information, fees and other payments specified by Section 8 of the General Terms and Conditions and shall execute an FTS Service Agreement for service under this rate schedule in the form provided in this tariff, specifying a Maximum Daily Transportation Quantity (MDTQ) for each area, Primary Receipt Point(s), Primary Delivery Point(s), and the Maximum Daily Quantity (MDQ) for each Primary Receipt Point and each Primary Delivery Point.
- (c) 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.

FTS RATE SCHEDULE  
Firm Transportation Service

FTS-P Production Area  
FTS-M Market Area

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to all natural gas transported by Southern Star pursuant to the executed FTS Service Agreement.
- (b) Transportation service under this rate schedule shall be on a firm basis up to the MDTQ for each area and the Maximum Daily Quantity (MDQ) for each Primary Receipt and Primary Delivery Point specified in the executed FTS Service Agreement and shall consist of the acceptance by Southern Star of natural gas tendered by Shipper at the Primary Receipt Point(s) on Southern Star's system specified in the executed FTS Service Agreement, the transportation of such gas through Southern Star's pipeline system, and the delivery of a quantity of natural gas with the thermal equivalent of the quantity received at the Primary Receipt Point(s), after the appropriate reductions for fuel and loss, up to the MDTQ for each area and the MDQ specified in the executed FTS Service Agreement, to Shipper or for Shipper's account at the Primary Delivery Point(s) on Southern Star's system specified in the executed FTS Service Agreement. Shippers may also utilize secondary receipt and delivery points as specified in Section 4 of the General Terms and Conditions.

3. RATE

- (a) Shipper shall agree to pay for all service(s) rendered under the executed FTS Service Agreement in accordance with this Rate Schedule FTS, or any superseding rate schedule(s) applicable to such service, as filed with the Federal Energy Regulatory Commission or its successor, and as may be lawfully revised from time to time. The initial transportation rates and all subsequent revisions to such rates shall be provided in writing to Shipper by Southern Star.

FTS RATE SCHEDULE  
Firm Transportation Service

FTS-P Production Area  
FTS-M Market Area

3. RATE (Cont'd)

- (b) The maximum and minimum Transportation Rates for each area shall be the Currently Effective Rates shown on the effective applicable Tariff Sheet Nos. 8-12 in Volume No. 1 of this Tariff. The Production Area rates are applicable to any gas which is transported through all or any part of the Production Area. The Market Area rates are applicable to any gas which is transported through all or any part of the Market Area. For nominations to a processing plant as provided under Section 8.12 of the General Terms and Conditions, the rate charged for delivery of gas pursuant to such nominations shall be applicable only to that quantity of gas delivered to the plant pursuant to such nominations which is not again received back into Southern Star's pipeline system for any Shipper's account at the plant tailgate.
- (c) Southern Star may charge any rate between the maximum and minimum rates stated on the applicable Tariff Sheet Nos. 8-12 on a non-discriminatory basis. Shipper's delivery of gas quantities to Southern Star after the effective date of any discounted rates shall be deemed acceptance by Shipper of such rates; provided, however, that this provision does not limit a Shipper's right to receive any refunds to which such Shipper may otherwise be entitled. The rate for reassigned capacity under this rate schedule will be established pursuant to Section 11 of the General Terms and Conditions. Southern Star shall file all required reports with the Federal Energy Regulatory Commission.
- (d) Southern Star is not required to offer or provide service at any rate less than the maximum rate(s) or charge(s) specified on the applicable Tariff Sheet Nos. 8-12. Shipper shall pay such maximum rate(s) for service under this Rate Schedule unless Southern Star, in its sole judgement, agrees to discount its rate(s) to Shipper consistent with the applicable provisions of this tariff. Further, notwithstanding the foregoing, Shipper and Southern Star may mutually agree to a negotiated rate pursuant to Section 28 of the General Terms and Conditions.
- (e) The charges for service under this rate schedule shall also include any other allocated costs or surcharges permitted by the Federal Energy Regulatory Commission.
- (f) Fuel and loss is to be reimbursed in kind and is separately stated for each service. Fuel and loss for FTS-P will be based upon quantities received in the Production Area. Fuel and loss for FTS-M will be based upon quantities received in the Market Area.



FTS RATE SCHEDULE  
Firm Transportation Service

FTS-P Production Area  
FTS-M Market Area

4. MONTHLY BILL

The bill for deliveries during each billing period under this rate schedule shall be calculated using the applicable Reservation Charge, the applicable Commodity Charge, and the applicable surcharges, as follows:

- (a) (i) The Reservation Charge for FTS-P Service shall be the product of (1) the sum of the MDTQ rights for the Production Area and (2) the Maximum Reservation Rate for FTS-P Service or such lesser Reservation Rate(s) as may have been made effective during the billing period, plus any applicable reservation surcharges.
- (ii) The Reservation Charge for FTS-M service shall be the product of (1) the sum of the MDTQ rights for the Market Area and (2) the Maximum Reservation Rate for FTS-M service or such lesser Reservation Rate(s) as may have been made effective during the billing period, plus any applicable reservation surcharges.
- (iii) Southern Star will not assess reservation surcharges on deliveries to interfaces (except for the CRM surcharge as covered in Section 32 of the GT&C) or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.
- (b) (i) The Commodity Charge for FTS-P service shall be the product of (1) the sum of the daily quantities delivered in the Production Area and from a Production Area pool to the Market Area Pool during the billing period and (2) the FTS-P Commodity Rate, plus any applicable commodity surcharges.
- (ii) The Commodity Charge for FTS-M Service shall be the product of (1) the sum of the daily quantities delivered in the Market Area during the billing period and (2) the FTS-M Commodity Rate, plus any applicable commodity surcharges.

FTS RATE SCHEDULE  
Firm Transportation Service

FTS-P Production Area  
FTS-M Market Area

4. MONTHLY BILL (Cont'd)

- (iii) Southern Star will not assess commodity surcharges on deliveries to interfaces (except for the CRM surcharge as covered in Section 32 of the GT&C) or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.
- (c) The bill shall include any daily Authorized Overrun Delivery charge determined pursuant to Section 5 of this rate schedule.
- (d) The bill shall include any scheduling and balancing charges or penalties determined pursuant to Sections 9 and 10 of the General Terms and Conditions.

5. AUTHORIZED OVERRUN DELIVERIES

Transportation service under this rate schedule on any day shall not exceed the MDTQ within each area or the sum of the MDQs for all Delivery Points within such area. However, Southern Star may, at the request of Shipper, receive, transport and deliver on any day quantities in excess of the MDTQ or of the sum of the MDQs within each area when, and to the extent, in Southern Star's reasonable judgment the delivery capacity of its system so permits without impairing the ability of Southern Star to meet its full delivery obligations to any of its firm service customers. The applicable maximum and minimum rate for any such overrun delivery shall be as stated on the effective applicable Tariff Sheet Nos. 8-12. Such Authorized Overrun Deliveries shall be subject to the same operating terms and conditions as are extended to service provided under Rate Schedule ITS and shall not interrupt flowing FTS, TSS or STS service. The authorized overrun charge shall only be charged if the MDTQ for any area is exceeded under any service agreement.

FTS RATE SCHEDULE  
Firm Transportation Service

FTS-P Production Area  
FTS-M Market Area

6. RESERVATION CHARGE CREDITS

If, except for reasons of force majeure, Southern Star is unable to deliver during any one or more days the quantity of natural gas which Shipper delivers to Southern Star and desires to transport from primary receipt points to primary delivery points, up to the MDTQ, then the Reservation Charge as otherwise determined shall be reduced by an amount equal to the difference between the quantity of natural gas actually delivered on the day(s) involved and the quantity of natural gas, up to the MDTQ, which Shipper in good faith demanded to receive on such day(s) times the applicable Reservation Rate and Reservation Surcharges stated on a daily basis.

7. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions, as effective from time to time, are applicable to this rate schedule and hereby made a part hereof.

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

First Revised Sheet No. 123  
Superseding  
Original Sheet No. 123

SHEET NOS. 123 – 127 ARE RESERVED FOR FUTURE USE

ITS RATE SCHEDULE  
Interruptible Transportation Service

ITS-P Production Area  
ITS-M Market Area

1. AVAILABILITY

This rate schedule is available to any customer (Shipper) for the interruptible transportation of gas through Southern Star's transmission facilities in the Production Area for Rate Schedule ITS-P or through Southern Star's transmission facilities through the Market Area for Rate Schedule ITS-M or both under the following conditions:

- (a) Shipper shall provide the information specified by Section 8 of the General Terms and Conditions, and Shipper shall execute an ITS Service Agreement for service under this rate schedule in the form provided in this tariff specifying a Maximum Daily Transportation Quantity (MDTQ).
- (b) Notwithstanding any other provisions hereof, Southern Star shall receive, transport and redeliver only such quantities of Shipper's gas which Southern Star in its sole judgment determines it can so receive, transport and redeliver after Southern Star has satisfied the total requirements of its higher priority customers as defined in Section 9 of the General Terms and Conditions.
- (c) In the event Southern Star determines that a period of daily allocation or capacity curtailment is required on its system, all deliveries under Rate Schedule ITS may be reduced or discontinued as necessary in accordance with Section 9 of the General Terms and Conditions. Such reduction or discontinuance of deliveries shall be limited to only those portions of Southern Star's system where the reduction or discontinuance becomes necessary in the sole judgment of Southern Star.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to all natural gas transported by Southern Star pursuant to the executed ITS Service Agreement.

ITS RATE SCHEDULE  
Interruptible Transportation Service

ITS-P Production Area  
ITS-M Market Area

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (b) Transportation service under this rate schedule shall be on an interruptible basis up to approved nominations and shall consist of the acceptance by Southern Star of natural gas tendered by Shipper at the Receipt Point(s) on Southern Star's system nominated by Shipper, the transportation of such gas through Southern Star's pipeline system, and the delivery of a quantity of natural gas with the thermal equivalent of the quantity received at the Receipt Point(s), after an appropriate reduction for fuel and loss, to Shipper or for Shipper's account at the Delivery Point(s) on Southern Star's system nominated by Shipper.
- (c) Transportation service under this rate schedule shall be subject to reduction or interruption as provided in Section 9 of the General Terms and Conditions and pursuant to Rate Schedules FTS, TSS, and STS. Southern Star shall not be responsible for interruption resulting from Shipper's failure for any reason to deliver gas to the Receipt Point(s) or inability to take delivery of gas at the Delivery Point(s).

3. RATE

- (a) Shipper shall pay Southern Star for all service rendered under an executed ITS Service Agreement, in accordance with this Rate Schedule ITS, or any superseding rate schedule(s) applicable to such service, as filed with the Federal Energy Regulatory Commission or its successor, and as may be lawfully revised from time to time. The initial transportation rates and all subsequent revisions to such rates shall be provided in writing to Shipper by Southern Star.

ITS RATE SCHEDULE  
Interruptible Transportation Service

ITS-P Production Area  
ITS-M Market Area

3. RATE (Cont'd)

- (b) The Production Area rates are applicable to any gas which is transported through all or any part of the Production Area. The Market Area rates are applicable to any gas which is transported through all or any part of the Market Area. For nominations to a processing plant as provided under Section 8.12 of the General Terms and Conditions, the rate charged for delivery of gas pursuant to such nominations shall be applicable only to that quantity of gas delivered to the plant pursuant to such nominations which is not again received back into Southern Star's pipeline system for any Shipper's account at the plant tailgate.
- (c) The maximum and minimum rates for service shall be the Currently Effective Rates shown on the effective applicable Tariff Sheet Nos. 8-12 of Volume No. 1 of this Tariff.
- (d) Southern Star is not required to offer or provide service at any rates less than the maximum rate(s) or charge(s) specified on the applicable Tariff Sheet Nos. 8-12. Shipper shall pay such maximum rate(s) for service under this Rate Schedule unless Southern Star, in its sole judgement, agrees to discount its rate(s) to Shipper consistent with the applicable provisions of this tariff. Further, notwithstanding the foregoing, Shipper and Southern Star may mutually agree to a negotiated rate pursuant to Section 28 of the General Terms and Conditions.
- (e) Southern Star may charge any rate between the maximum and minimum rates stated of the applicable Tariff Sheet Nos. 8-12 on a non-discriminatory basis. Shipper's delivery of gas quantities to Southern Star after the effective date of any discounted rates shall be deemed acceptance by Shipper to such rates; provided, however, that this provision does not limit a Shipper's right to receive any refunds to which such Shipper may otherwise be entitled. Southern Star shall file all required reports with the Federal Energy Regulatory Commission.
- (f) The charges for service under this rate schedule shall also include any other allocated costs or surcharges permitted by the Federal Energy Regulatory Commission.

ITS RATE SCHEDULE  
Interruptible Transportation Service

ITS-P Production Area  
ITS-M Market Area

3. RATE (Cont'd)

- (g) Fuel and loss is to be reimbursed in kind and is separately stated for each area. Fuel and loss for ITS-P will be based upon quantities received into the Production Area. Fuel and loss for ITS-M will be based upon quantities received in the Market Area.

4. MONTHLY BILL

The bill for deliveries during each billing period under this rate schedule shall be calculated using the applicable Commodity Charge(s) as follows:

- (a) (i) The Commodity Charge for ITS-P service shall be the product of (1) the sum of the daily quantities delivered in the Production Area and from a Production Area pool to the Market Area Pool during the billing period and (2) the ITS-P Commodity Rate, plus any applicable surcharges or other charges.
- (ii) The Commodity Charge for ITS-M service shall be the product of (1) the sum of the daily quantities delivered in the Market Area during the billing period, and (2) the ITS-M Commodity Rate, plus any applicable surcharges or other charges.
- (iii) Southern Star will not assess commodity surcharges on deliveries to interfaces (except for the CRM surcharge as covered in Section 32 of the GT&C) or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.
- (b) The bill shall include any scheduling and balancing charges or penalties determined pursuant to Sections 9 and 10 of the General Terms and Conditions.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions, as effective from time to time, are applicable to this rate schedule and hereby made a part hereof.



FSS RATE SCHEDULE  
Firm Storage Service

1. AVAILABILITY

This rate schedule is available under the following conditions:

- (a) Service under this rate schedule shall be available to any Shipper only to the extent that Southern Star determines it has available storage capacity to provide the service consistent with operating conditions on its system.
- (b) Shipper shall provide the information, fees, and other payments specified by Section 8 of the General Terms and Conditions and shall execute an FSS Service Agreement for service under this rate schedule in the form provided in this tariff, specifying the Maximum Storage Quantity (MSQ), the Maximum Daily Injection Quantity (MDIQ), and the Maximum Daily Withdrawal Quantity (MDWQ).
- (c) Service under this rate schedule shall be available to parties who have an effective ITS or FTS Service Agreement(s) with an MDTQ equal to or greater than the MDIQ and MDWQ under their FSS Service Agreement.
- (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.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to all Firm Storage Service which is rendered by Southern Star for Shipper pursuant to an executed FSS Service Agreement under this rate schedule.
- (b) Storage Service under this rate schedule shall consist of:
  - (i) The receipt during the Injection Cycle of gas on behalf of Shipper at the Point of Injection/Withdrawal up to the Maximum Storage Quantity and not to exceed the MDIQ;
  - (ii) The authorized storage of gas up to the MSQ. Storage of gas in excess of the MSQ shall be overrun service and subject to Section 6 of this rate schedule; and
  - (iii) The tender of gas during the Withdrawal Cycle at the Point of Injection/Withdrawal for redelivery by Southern Star to Shipper up to the MDWQ.

FSS RATE SCHEDULE  
Firm Storage Service

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (c) Gas stored under this rate schedule may be sold in place to other parties having sufficient available Rate Schedules FSS or ISS storage capacity. Parties wishing to make sales of gas in place must notify Southern Star in writing that such sale has occurred by the effective date of the transaction.
- (d) Storage Service under this rate schedule shall be firm up to the MSQ and the MDIQ on any day during the Injection Cycle, and shall be firm up to the MDWQ on any day during the Withdrawal Cycle until Shipper's gas in storage is depleted. Out of cycle injections and withdrawals shall be permitted at Southern Star's reasonable discretion. Southern Star shall exercise such discretion in a non-discriminatory manner.

3. INJECTIONS, WITHDRAWALS AND MAXIMUM STORAGE QUANTITY

(a) General Procedure

Each Shipper shall submit injection and withdrawal nominations, pursuant to Section 9 of the General Terms and Conditions of this Tariff.

The Injection Cycle is April 1 through October 31. The Withdrawal Cycle is November 1 through March 31.

- (b) Each Shipper's available MSQ shall equal that Shipper's Maximum Daily Withdrawal Quantity times 33.

(c) Daily Injection Quantities

The Maximum Daily Injection Quantities for each Shipper are:

- (i) 0.75% of MSQ when Shipper's inventory balance is less than 62.5%;
- (ii) 0.625% of MSQ when Shipper's inventory balance is equal to or greater than 62.5%, but less than 75%;

FSS RATE SCHEDULE  
Firm Storage Service

3. INJECTIONS, WITHDRAWALS AND MAXIMUM STORAGE QUANTITY (Cont'd)

- (iii) 0.375% of MSQ when Shipper's inventory balance is equal to or greater than 75%, but less than 87.5%;
- (iv) 0.25% of MSQ when Shipper's inventory balance is equal to or greater than 87.5%.

Subject to Section 6 of this rate schedule, injections may exceed the MDIQ at the reasonable discretion of Southern Star.

(d) Daily Withdrawal Quantities

A Shipper only has a right to withdraw the storage gas which it owns and is available up to the MDWQ.

Subject to Section 6 of this rate schedule, withdrawals may exceed the available MDWQ at the reasonable discretion of Southern Star.

(e) Injection and Withdrawal Plan

Each Shipper must submit a "best efforts" injection plan by March 1 of each year and a withdrawal plan by October 1 of each year. The injection and withdrawal plans shall take into account the inventory balance anticipated at the end of the current injection and withdrawal cycles.

(f) Withdrawals in excess of inventory level will be treated as imbalances under the associated transportation agreement.

(g) Gas Not Withdrawn at Expiration or Termination of Service Agreement

A Shipper must remove its gas from storage prior to the expiration or termination of its FSS Service Agreement. In addition to withdrawing its gas from storage, a Shipper may sell gas in place to another Shipper holding storage capacity under Rate Schedules FSS or ISS in order to facilitate its removal from storage, or may request a transfer to its own executed interruptible storage Service Agreement under Rate Schedule ISS, subject to the availability of capacity. If any gas is not so withdrawn, transferred or sold in place at the end of the term of the expiring or terminated FSS Service Agreement, Southern Star will keep the gas, free and

FSS RATE SCHEDULE  
Firm Storage Service

3. INJECTIONS, WITHDRAWALS AND MAXIMUM STORAGE QUANTITY (Cont'd)

clear of any adverse claims, and apply it as credit to the storage fuel and loss under Section 13 of the General Terms and Conditions.

4. RATE

- (a) Shipper shall agree to pay for all service rendered under the executed Firm Storage Service Agreement in accordance with this Rate Schedule FSS, or any superseding rate schedule(s) applicable to such service, as filed with the Federal Energy Regulatory Commission or its successor, and as may be lawfully revised from time to time. The initial storage rates and all subsequent revisions to such rates shall be provided in writing to Shipper by Southern Star.
- (b) The maximum and minimum rates for service hereunder shall be the Currently Effective Rates shown on the effective applicable Tariff Sheet Nos. 8-12 in Volume No. 1 of this Tariff.
- (c) Southern Star is not required to offer or provide service at any rates less than the maximum rate(s) or charge(s) specified on the applicable Tariff Sheet Nos. 8-12. Shipper shall pay such maximum rate(s) for service under this Rate Schedule unless Southern Star, in its sole judgement, agrees to discount its rate(s) to Shipper consistent with the applicable provisions of this tariff. Further, notwithstanding the foregoing, Shipper and Southern Star may mutually agree to a negotiated rate pursuant to Section 28 of the General Terms and Conditions.
- (d) Southern Star may charge any rate between the maximum and minimum rates stated on the applicable Tariff Sheet Nos. 8-12 on a non-discriminatory basis. Shipper's delivery of gas quantities to Southern Star after the effective date of any discounted rates shall be deemed acceptance by Shipper of such rates; provided, however, that this provision does not limit a Shipper's right to receive any refunds to which such Shipper may otherwise be entitled. The rate for reassigned capacity under this rate schedule will be established pursuant to Section 11 of the General Terms and Conditions. Southern Star shall file all required reports with the Federal Energy Regulatory Commission.
- (e) The charges for service under this rate schedule shall also include any other allocated costs or surcharges permitted by the Federal Energy Regulatory Commission.
- (f) Storage fuel and loss is to be reimbursed in kind and will be based upon the net daily quantities received for injection (i.e., when daily injections are greater than daily withdrawals).

FSS RATE SCHEDULE  
Firm Storage Service

5. MONTHLY BILL

The bill for storage service during each billing period under this rate schedule shall be the sum of the Reservation Charges, the Injection Charge, and the Withdrawal Charge as follows:

- (a) (i) The Capacity Reservation Charge shall be the product of (1) the sum of the MSQs in effect on each day of the billing period and (2) the Capacity Reservation Rate, plus any applicable reservation surcharges.
- (ii) The Deliverability Reservation Charge shall be the product of (1) the sum of the MDWQ rights and (2) the Deliverability Reservation Rate, plus any applicable reservation surcharges.
- (iii) The Injection Charge shall be the product of (1) the sum of the net daily quantities received for injection and (2) the Injection Rate, plus any applicable commodity surcharges.
- (iv) The Withdrawal Charge shall be the product of (1) the sum of the net daily quantities withdrawn and (2) the Withdrawal Rate, plus any applicable commodity surcharges.
- (v) Southern Star will not assess reservation or commodity surcharges on deliveries to interfaces (except for the CRM surcharge as covered in Section 32 of the GT&C) or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.
- (b) The bill shall include any daily Authorized Overrun Service charge determined pursuant to Section 6 of this rate schedule.
- (c) The bill shall include any scheduling and balancing charges or penalties determined pursuant to Section 9 and 10 of the General Terms and Conditions.

FSS RATE SCHEDULE  
Firm Storage Service

6. AUTHORIZED OVERRUN SERVICE

Service under this rate schedule on any day shall not exceed the MSQ, MDIQ or MDWQ, as applicable; provided, however, Southern Star may, at the request of Shipper, inject on any day quantities in excess of the MSQ or MDIQ, or withdraw on any day quantities in excess of the MDWQ, respectively, to the extent in Southern Star's reasonable judgment, the storage capacity of its system so permits without impairing the ability of Southern Star to meet its full obligations of its firm service customers. The applicable rate for any such overrun service shall be as stated on effective Tariff Sheet No. 11. Such authorized overrun service shall be subject to the same operating terms and conditions as are extended to service provided under Rate Schedule ISS and shall not interrupt flowing FSS service or the storage components of TSS or STS service. The authorized overrun charge shall only be charged if the MSQ, MDIQ or MDWQ is exceeded under any service agreement.

FSS RATE SCHEDULE  
Firm Storage Service

7. STORAGE OPERATIONS

- (a) All storage fields will be operated as a pool with Southern Star retaining full operational control.
- (b) Monthly imbalances under all transportation agreements with each Shipper may be injected into or withdrawn from storage under that shipper's storage agreement, as provided in Section 9 of the General Terms and Conditions, subject to the availability of storage capacity or storage inventory, as appropriate, up to the MSQ.
- (c) Southern Star will provide a monthly estimate of each Shipper's inventory balance.

8. RESERVATION CHARGE CREDIT

If, except for reasons of force majeure, Southern Star is unable to inject or withdraw during any one or more days the quantity of natural gas which Shipper desires to inject or withdraw, up to the MDIQ or MDWQ, then the Reservation Charge as otherwise determined shall be reduced by an amount equal to the difference between the quantity of natural gas actually injected or withdrawn on the day(s) involved and the quantity of natural gas, up to the MDTQ, which Shipper in good faith demanded to inject or withdraw on such day(s) times the applicable Reservation Rate and Reservation Surcharges stated on a daily basis.

9. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions set forth in this Volume No. 1 Tariff are applicable to this rate schedule and are hereby made a part hereof.

ISS RATE SCHEDULE  
Interruptible Storage Service

1. AVAILABILITY

This rate schedule is available to any party who has an effective FTS or ITS Service Agreement under the following conditions:

- (a) Shipper shall provide the information specified by Section 8 of the General Terms and Conditions and Shipper shall execute an ISS Service Agreement for service under this rate schedule in the form provided in this Tariff.
- (b) Notwithstanding any other provisions hereof, Southern Star shall inject, store, and withdraw only such quantities of Shipper's gas which Southern Star in its sole discretion determines it can so inject, store, and withdraw after Southern Star has satisfied the total requirements of its higher priority customers as defined in Section 9 of the General Terms and Conditions.
- (c) In the event Southern Star determines that a period of daily allocation or capacity curtailment is required on its system, all deliveries under Rate Schedule ISS may be reduced or discontinued in accordance with Section 9 of the General Terms and Conditions.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to all interruptible storage service up to the Maximum Storage Quantity (MSQ) which is rendered by Southern Star for Shipper pursuant to an executed ISS Service Agreement.
- (b) Storage Service under this rate schedule shall be interruptible and shall consist of the acceptance and injection by Southern Star of natural gas tendered by Shipper, the storage of such gas, and the withdrawal and delivery of natural gas for Shipper's account.



ISS RATE SCHEDULE  
Interruptible Storage Service

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (c) Gas stored under this rate schedule may be sold in place to other parties having sufficient available Rate Schedules FSS or ISS storage capacity. Parties wishing to make sales of gas in place must notify Southern Star in writing that such sale has occurred by the effective date of the transaction.
- (d) Storage Service under this rate schedule shall be subject to reduction or interruption as provided in Section 9 of the General Terms and Conditions and pursuant to Rate Schedules TSS, STS, and FSS.

3. INJECTIONS AND WITHDRAWALS

- (a) Each Shipper shall submit injection and withdrawal nominations, pursuant to Section 9 of the General Terms and Conditions of this Tariff.
- (b) Injections and withdrawals may be made on an interruptible basis.
- (c) A Shipper only has a right to withdraw the storage gas which it owns and which is available for withdrawal.
- (d) Shipper must be prepared to remove gas from storage within a reasonable period, as negotiated by the parties, but in no event greater than 45 days after notice from Southern Star to remove such quantities. The 45 day period will be extended one day for each day on which the Shipper nominates gas to be withdrawn but Southern Star is unable to accept such nomination. If Shipper has nominated the gas to be withdrawn on 30 consecutive days during the 45 day period, and Southern Star has been unable to accept such nominations, Southern Star will purchase the gas in place at the spot market price as defined in Section 9 of the General Terms and Conditions. As provided above, Shippers may sell gas in place to another Shipper holding firm storage capacity in order to facilitate its removal from storage. If gas is not removed or sold in place in such period, Southern Star will keep the gas and apply it as credit to the storage fuel and loss under Section 13 of the General Terms and Conditions.

ISS RATE SCHEDULE  
Interruptible Storage Service

4. RATE

- (a) Shipper shall pay Southern Star for all service rendered under an executed Storage Service Agreement, in accordance with this Rate Schedule ISS, or any superseding rate schedule(s) applicable to such service, as filed with the Federal Energy Regulatory Commission or its successor, and as may be lawfully revised from time to time. The initial storage rates and all subsequent revisions to such rates shall be provided in writing to Shipper by Southern Star.
- (b) The maximum and minimum rates for service shall be the Currently Effective Rates shown on the effective applicable Tariff Sheet Nos. 8-12 in Volume No. 1 of this Tariff.
- (c) Southern Star is not required to offer or provide service at any rates less than the maximum rate(s) or charge(s) specified on the applicable Tariff Sheet Nos. 8-12. Shipper shall pay such maximum rate(s) for service under this Rate Schedule unless Southern Star, in its sole judgement, agrees to discount its rate(s) to Shipper consistent with the applicable provisions of this tariff. Further, notwithstanding the foregoing, Shipper and Southern Star may mutually agree to a negotiated rate pursuant to Section 28 of the General Terms and Conditions.
- (d) Southern Star may charge any rate between the maximum and minimum rates stated on the applicable Tariff Sheet Nos. 8-12 on a non-discriminatory basis. Shipper's delivery of quantities to Southern Star after the effective date of any discounted rates shall be deemed acceptance by Shipper of such rates; provided, however, that this provision does not limit a Shipper's right to receive any refunds to which such Shipper may otherwise be entitled. Southern Star shall file all required reports with the Federal Energy Regulatory Commission.
- (e) The charges for service under this rate schedule shall also include any other allocated costs or surcharges permitted by the Federal Energy Regulatory Commission.
- (f) Storage fuel and loss is to be reimbursed in kind and will be based upon the net daily quantities received for injection.

ISS RATE SCHEDULE  
Interruptible Storage Service

5. MONTHLY BILL

The bill for storage service during each billing period under this rate schedule shall be the applicable charges as follows:

- (a) (i) The Commodity Charge shall be the product of (1) the sum of the daily storage balances and (2) the Commodity Rate, plus any applicable surcharges.
- (ii) The Injection Charge shall be the product of (1) the net daily quantities received for injection and (2) the Injection Rate, plus any applicable commodity surcharges.
- (iii) The Withdrawal Charge shall be the product of (1) the net daily quantities withdrawn and (2) the Withdrawal Rate, plus any applicable commodity surcharges.
- (iv) Southern Star will not assess commodity surcharges on deliveries to interfaces (except for the CRM surcharge as covered in Section 32 of the GT&C) or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.
- (b) The bill shall include any scheduling and balancing charges or penalties determined pursuant to Section 9 and 10 of the General Terms and Conditions.

6. STORAGE OPERATIONS

- (a) All storage fields will be operated as a pool with Southern Star retaining full operational control.
- (b) Monthly imbalances under all transportation agreements with each Shipper may be injected into or withdrawn from storage under that Shipper's storage agreement, as provided in Section 9 of the General Terms and Conditions, subject to the availability of storage capacity and working gas, as appropriate, up to the MSQ.
- (c) Southern Star will provide a monthly estimate of each Shipper's inventory balance.

ISS RATE SCHEDULE  
Interruptible Storage Service

7. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions set forth in this Volume No. 1 Tariff are applicable to this rate schedule and are hereby made a part hereof.

PAS RATE SCHEDULE  
Production Area Sales

1. AVAILABILITY

- (a) The availability of service under this rate schedule will be subject to negotiation between Southern Star and any prospective customer; provided, however, that Southern Star shall not be required to make any sales under this rate schedule.
- (b) Sales points under this rate schedule shall be the first point of receipt of gas into facilities owned by Southern Star. If the gas sold under this rate schedule is from a source of supply that is delivered directly into Southern Star's system, the point of title transfer will be the receipt point into Southern Star's system.
- (c) Sales of gas under this rate schedule are subject to Southern Star having available supplies of gas.

2. APPLICABILITY AND CHARACTER OF SERVICE

The applicability and character of service under this rate schedule shall be subject to negotiation between Southern Star and any prospective customer.

3. RATE AND MONTHLY BILL

The rate and monthly bill provisions of service under this rate schedule shall be subject to negotiation between Southern Star and any prospective customer.

4. TERM

The term of service under this rate schedule shall be subject to negotiation between Southern Star and any prospective customer.

PS RATE SCHEDULE  
Pooling Service

1. AVAILABILITY

This rate schedule is available to any customer (Pooling Shipper) for the aggregation of gas on Southern Star's transmission system either in the Production Area or the Market Area under the following conditions:

- (a) Pooling Shipper shall execute a PS Service Agreement for service under this rate schedule in the form provided in this FERC Gas Tariff.
- (b) Pooling Shipper shall provide creditworthiness information pursuant to Section 8.5 of the General Terms and Conditions.
- (c) Pooling Shipper, which can be any party, need not also hold a Transportation Service Agreement with Southern Star.
- (d) The term "pool" is used to refer to any of the discrete aggregation areas defined below. There are eight pools in the Production Area and one pool in the Market Area.

Rawlins-Hesston (RH) Pool is the area containing all receipt points on line segment number 490.

Kansas-Hugoton (KH) Pool is the area containing all receipt points on line segment number 130.

Straight-Blackwell (SB) Pool is the area containing all receipt points on line segment number 315.

Canadian-Blackwell (CB) Pool is the area containing all receipt points on line segment number 458.

South Edmond Pool (SE) is the area containing all receipt points on line segment numbers 340, 385 and the portion of 400 south and west of Edmond Station.

Edmond-Blackwell (BE) Pool is the area containing all receipt points on line segment numbers 405, the portion of 380 south of Blackwell Station, and the portion of 400 north of Edmond Station.

Kansas-Other (KS) Pool is the area containing all receipt points on line segment numbers 3, 45, 120, 295, and 333.

PS RATE SCHEDULE  
Pooling Service

1. AVAILABILITY (Cont'd)

Oklahoma - Other (OK) Pool is the area containing all receipt points on line segment numbers 334, 335, 357, 390 and 497.

Market Area (MA) Pool is the only pool in the Market Area.

Southern Star's Master Receipt Point List contains a reference indicating the line segment number associated with each receipt point.

- (e) Each Pooling Shipper may hold one PS Service Agreement; provided, however, that each Pooling Shipper may utilize any or all pools, defined in (d) above, under a single PS Service Agreement. The pools to be utilized shall be specified in the executed service agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to all natural gas nominated to the pools pursuant to the executed PS Service Agreement.
- (b) For purposes of scheduling receipts onto Southern Star's system, gas nominated into any pool shall be entitled to receive the same priority as accorded the downstream transportation agreement on which the gas will be nominated out of the pool. This scheduling priority shall apply separately to each pool.
- (c) Quantities nominated into any Production Area pool must be received from receipt points on the line segment associated with the pool or from the Production Area/Market Area Interface. Quantities nominated into the Market Area Pool must be received from receipt points on Southern Star's Market Area Master Receipt Point list, from the Production Area/Market Area Interface, or from a Production Area pool using a Production Area transportation agreement. Nominations to a Pooling Shipper's Pooling Service Agreement from the same Pooling Shipper's PLS Service Agreement within the same pool are also permitted.

PS RATE SCHEDULE  
Pooling Service

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (d) A Shipper may not exceed the sum of its MDQ at primary receipt points on a given line segment as a result of pooling transactions; provided, however, that a Shipper may also schedule volumes from a pool or other receipt points on that line segment as secondary receipt points or as authorized overrun service, subject to availability of capacity.
- (e) The pools may not be listed as primary firm receipt or delivery points under any service agreement.

3. POOLING NOMINATIONS AND SCHEDULING REQUIREMENTS

This section is applicable to all pooling transactions in addition to the nomination and scheduling provisions set forth in Section 9 of the General Terms and Conditions.

- (a) Pooling Shipper or another Shipper must nominate a corresponding quantity of gas from a Production Area pool to a Production Area transportation agreement for delivery to any delivery point otherwise accessible under such transportation agreement or to the Market Area Pool. Pooling Shipper or another Shipper must nominate a corresponding quantity of gas from the Market Area Pool to a Market Area transportation agreement for delivery to any delivery point otherwise accessible under such transportation agreement. Nominations from one Pooling Shipper to another within the same pool are also permitted, provided however, such nominations remain subject to Section 2(b) above. Nominations from a Pooling Shipper's Pooling Service Agreement to the same Pooling Shipper's PLS Service Agreement within the same pool are also permitted.
- (b) Pooling Shipper or another Shipper must provide priority ranking for gas delivered to or received from a pool. If ranking is not provided, pro rata will be used. If either the delivery volume or receipt volume confirmation is less than the nomination, Southern Star will follow the "lesser of" rule (both sides of the transaction will be adjusted to correspond to the "lesser of" volume). The priority ranking for gas delivered to a PLS service agreement will default to interruptible.



PS RATE SCHEDULE  
Pooling Service

3. POOLING NOMINATIONS AND SCHEDULING REQUIREMENTS (Cont'd)

- (c) The rankings provided by the Shipper under a Transportation Agreement will be utilized for purposes of delivery point capacity or transportation agreement MDTQ limitations. The rankings provided by the Pooling Shipper under a Pooling Agreement will be utilized for purposes of receipt point capacity or supply related limitations.
- (d) The Pooling Shipper under the Pooling Service Agreement shall, at the time of the nomination, identify each upstream or downstream transportation agreement or pooling agreement and the corresponding Shipper.
- (e) The only imbalances which can occur are the differences between scheduled receipts and actual physical flow at non-OBA receipt points.
- (f) Imbalances between the actual quantity of gas received and the quantity nominated to a pool at non-OBA receipt points, will be resolved pursuant to Section 9.7 of the General Terms and Conditions of this FERC Gas Tariff.
- (g) Nominations from one Production Area pool to another Production Area pool are not permitted.

4. RATE AND BILLING

Southern Star will not assess a transportation charge or fuel and loss on quantities nominated into the pools. Quantities nominated from the pools as receipts under a Production Area or Market Area transportation agreement, respectively, will be assessed a transportation charge and fuel and loss under that transportation agreement.

5. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this FERC Gas Tariff are applicable to this rate schedule except for Section 26, FERC Annual Charge Adjustment.

PLS RATE SCHEDULE  
Parking and Loan Service

1. AVAILABILITY

This rate schedule is available to any customer (PLS Shipper) under the following conditions:

- (a) PLS Shipper desires Parking and Loan Service under this rate schedule; and
- (b) PLS Shipper has submitted a valid request in accordance with Section 8 of the General Terms and Conditions and Southern Star is able to render such service; and
- (c) PLS Shipper has executed a PLS Service Agreement for service under this rate schedule in the form provided in this Tariff.

Southern Star is not required to provide any requested service under this Rate Schedule unless Southern Star determines, at its sole discretion, that it has operational flexibility to provide service. In addition, in the event Southern Star determines that capacity curtailment is required on its system, or an Operational Flow Order is issued, all receipts or loans under Rate Schedule PLS may be reduced or discontinued in accordance with Section 9 or 10 of the General Terms and Conditions.

Southern Star shall not be required to provide service under this rate schedule that would require Southern Star to construct or acquire any new facilities or that would prevent Southern Star from providing any other firm or interruptible service.

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 under a pooling service agreement.

PLS RATE SCHEDULE  
Parking and Loan Service

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (c) The PLS Service Agreement (as distinguished from the Service Order which is established by Exhibit(s) A or B as applicable) shall be for a mutually agreed original term and month to month thereafter, unless either party gives the other party at least thirty (30) days written notice to terminate the service agreement. The term of each PLS Service Order with PLS Shipper shall be as set forth on Exhibit A or B to the PLS Service Agreement. Service under the Service Order shall be provided for a minimum of 1 day.

In the event the parties to a PLS Service Agreement under this rate schedule enter a Service Order(s) of a term longer than the then existing remainder of the term of the PLS Service Agreement, then the term of the PLS Service Agreement shall be deemed extended to the end of such Service Order(s) and thereafter the term of the PLS Service Agreement shall continue month to month, unless either party gives the other party at least thirty (30) days written notice to terminate the PLS Service Agreement during such rolling thirty (30) day extensions.

- (d) Transportation of gas quantities for or on behalf of PLS Shipper to or from the Loan or Parking point(s) will not be performed under this rate schedule. PLS Shipper shall make any necessary arrangements with Southern Star or third parties to receive or deliver gas quantities at the Loan or Parking point(s). Such arrangements must be compatible with the operating conditions of Southern Star's system. Southern Star will not be required to receive or deliver gas quantities under this rate schedule on any day for which there is insufficient available capacity under Customer's transportation service agreement(s) to deliver or receive gas at the Parking or Loan point(s).

PLS RATE SCHEDULE  
Parking and Loan Service

3. RATE

- (a) PLS Shipper shall agree to pay for all service rendered under the executed PLS Service Agreement with this Rate Schedule PLS, or any superseding rate schedule(s) applicable to such service, as filed with the Federal Energy Regulatory Commission or its successor, and as may be lawfully revised from time to time. The initial parking and loan rates and subsequent revisions to such rates shall be provided in writing to PLS Shipper by Southern Star.
- (b) The maximum and minimum rates for service hereunder shall be the Currently Effective Rates shown on the effective applicable Tariff Sheet Nos. 8-12 in Volume No. 1 of this Tariff.
- (c) Southern Star is not required to offer or provide service at any rates less than the maximum rate(s) or charge(s) specified on the applicable Tariff Sheet Nos. 8-12. Shipper shall pay such maximum rate(s) for service under this Rate Schedule unless Southern Star, in its sole judgement, agrees to discount its rate(s) to Shipper consistent with the applicable provisions of this tariff. Further, notwithstanding the foregoing, Shipper and Southern Star may mutually agree to a negotiated rate pursuant to Section 28 of the General Terms and Conditions.

PLS RATE SCHEDULE  
Parking and Loan Service

3. RATE (Cont'd)

- (d) Southern Star may charge any rate between the maximum and minimum rates stated on the applicable Tariff Sheet Nos. 8-12 on a non-discriminatory basis. Use by PLS Shipper of parking or loan services hereunder after the effective date of any discounted rates shall be deemed acceptance by PLS Shipper of such rates; provided, however, that this provision does not limit a PLS Shipper's right to receive any refunds to which such PLS Shipper may otherwise be entitled. Southern Star shall file all required reports with the Federal Energy Regulatory Commission.
- (e) The charges for service under this rate schedule shall also include any other allocated costs or surcharges permitted by the Federal Energy Regulatory Commission.

4. MONTHLY BILL

The bill for parked or loaned quantities during each billing period under this rate schedule shall be calculated using the applicable Commodity Charges as follows:

- (a) (i) The Commodity Charge for Parking Service shall be the product of (1) the daily parked quantity and (2) the applicable Daily Commodity Rate for Parking Service, plus any applicable surcharges for each period.
- (ii) The Commodity Charge for Loan Service shall be the product of (1) the daily loaned quantity and (2) the applicable Daily Commodity Rate for Loan Service, plus any applicable surcharges.
- (iii) The ACA surcharge and fuel and loss shall not apply to service hereunder.

PLS RATE SCHEDULE  
Parking and Loan Service

5. PLS POINTS OF SERVICE

Southern Star will post in a non-discriminatory manner, on CSI, the available Parking and/or Loan Point(s) of Service. Southern Star may, at its sole discretion, post from time to time additions or deletions to the list of available points. If Southern Star terminates a point where parked quantities are to be returned to PLS Shipper or loaned quantities are to be returned to Southern Star, such point(s) shall remain available for the limited purpose of completing such outstanding transactions unless PLS Shipper and Southern Star mutually agree to utilize a different Point of Service.

6. NOMINATIONS AND SCHEDULING

PLS Shipper shall notify or cause Southern Star to be notified of PLS Shipper's service requirements under this rate schedule in advance of such requirements in accordance with the nomination deadlines as provided in Section 9. With respect to PLS Shipper's desired levels of service under this rate schedule, PLS Shipper shall nominate to Southern Star the desired Parking and/or Loan Points and the corresponding quantities. Such nominated quantities shall be subject to confirmation by Southern Star which shall be based on the best operating information available to Southern Star. Such confirmed quantity shall be deemed the scheduled quantity.

7. ALLOCATION OF SERVICE

In allocating or curtailing service among PLS Shippers under this rate schedule, Southern Star shall give service priority based on PLS Shipper's willingness to pay the highest rate for such service. The rate is not to exceed the maximum rate for such service under Southern Star's PLS Rate Schedule with PLS Shippers paying the highest unit rate, or PLS Shippers, which when given notice of pending interruption of service are willing to pay the highest unit rate, receiving first priority and so on (with service allocated on a pro rata basis among PLS Shippers willing to pay the same unit rate for such service).

PLS RATE SCHEDULE  
Parking and Loan Service

8. NOTIFICATION FROM SOUTHERN STAR

- (a) PLS Shipper may be required, upon notification from Southern Star, to cease or reduce deliveries to, or receipts from, Southern Star's Parking and Loan service within the gas day consistent with Southern Star's operating conditions. Further, PLS Shipper may be required to remove parked quantities or return loaned quantities upon notification by Southern Star. Such notification shall be by telephone and by electronic communication or CSI posting. Southern Star's notification shall specify the time frame within which parked quantities shall be removed and/or loaned quantities shall be returned, consistent with Southern Star's operating conditions, beginning with the gas day following notification. In no event shall the specified time frame be less than three (3) gas days from the date of Southern Star's notification. If PLS Shipper makes a timely nomination to comply with such notification, the 3 gas days shall be extended until such time as Southern Star schedules the nomination. Southern Star may allow additional time when operational conditions permit.
- (b) Any parked quantity not removed within the time frame specified by Southern Star's notice shall become the property of Southern Star at no cost to Southern Star, free and clear of any adverse claims. Any loaned quantity not returned within the time frame specified by Southern Star's notice shall be sold to PLS Shipper at 150 percent of the index price applicable to Southern Star as published in the first issue of Platts Gas Daily Price Guide for the month in which the PLS Shipper failed to comply. If Platts Gas Daily Price Guide does not publish an index price for Southern Star, then the index price shall be the average of the first of the month index prices as published in the first issue of Platts Gas Daily Price Guide applicable to those pipelines categorized as Oklahoma region pipelines in Platts Gas Daily.



PLS RATE SCHEDULE  
Parking and Loan Service

9. WARRANTY OF TITLE TO GAS

PLS Shipper warrants for itself, its successors and assigns, that it will at the time of delivery to Southern Star have good and merchantable title to all gas hereunder free and clear of all liens, encumbrances, and claims whatsoever. PLS Shipper shall indemnify Southern Star and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to said gas, including claims for any royalties, taxes, license fees or charges applicable to such gas or to the delivery thereof to Southern Star under this rate schedule.

10. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions set forth in this Volume No. 1 Tariff are applicable to this rate schedule and are hereby made a part hereof, except for the following provisions: Section 9.7, Monthly Balancing and Section 26, FERC Annual Charge Adjustment.

FS1 RATE SCHEDULE  
Firm Storage Service  
With Market-Based Rates

1. AVAILABILITY

This rate schedule applies to the 4,000,000 Dth of storage and 40,000 Dth/Day of deliverability for which Southern Star has received approval to charge market-based rates under Docket No. CP10-2. This rate schedule is available under the following conditions:

- (a) Service under this rate schedule shall be available to any Shipper only to the extent that Southern Star determines it has available storage capacity to provide the service consistent with operating conditions on its system.
- (b) Shipper shall provide the information, fees, and other payments specified by Section 8 of the General Terms and Conditions and shall execute an FS1 Service Agreement for service under this rate schedule in the form provided in this tariff, specifying the Maximum Storage Quantity (MSQ), the Maximum Daily Injection Quantity (MDIQ), and the Maximum Daily Withdrawal Quantity (MDWQ). Shipper shall also execute an associated market-based rate agreement.
- (c) Service under this rate schedule shall be available to parties who have an effective ITS or FTS Service Agreement(s) with an MDTQ equal to or greater than the MDIQ and MDWQ under their FS1 Service Agreement.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to all Firm Storage Service which is rendered by Southern Star for Shipper pursuant to an executed FS1 Service Agreement under this rate schedule.
- (b) Storage Service under this rate schedule shall consist of:
  - (i) The receipt of gas on behalf of Shipper at the applicable Storage area Point of Injection/Withdrawal up to the Maximum Storage Quantity and not to exceed the MDIQ;
  - (ii) The storage of gas not to exceed the MSQ; and
  - (iii) The tender of gas at the applicable Storage area Point of Injection/Withdrawal for redelivery by Southern Star to Shipper up to the MDWQ.

FS1 RATE SCHEDULE  
Firm Storage Service  
With Market-Based Rates

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (c) Gas stored under this rate schedule may be sold in place to other parties having sufficient available Rate Schedule FS1 or IS1 storage capacity. Parties wishing to make sales of gas in place must notify Southern Star in writing that such sale has occurred by the effective date of the transaction.
- (d) Subject to the injection/withdrawal quantities in Sections 3(b) and (c) of this rate schedule, Storage Service under this rate schedule shall be firm up to the MSQ, the MDWQ and the MDIQ on any day of the year.

3. INJECTIONS, WITHDRAWALS AND MAXIMUM STORAGE QUANTITY

(a) General Procedure

Each Shipper shall submit injection and withdrawal nominations, pursuant to Section 9 of the General Terms and Conditions of this Tariff.

(b) Daily Injection Quantities

The Maximum Daily Injection Quantities for each Shipper are:

- (i) 0.75% of MSQ when Shipper's inventory balance is less than or equal to 62.5%;
- (ii) 0.625% of MSQ when Shipper's inventory balance is greater than 62.5%, but less than or equal to 75%;
- (iii) 0.375% of MSQ when Shipper's inventory balance is greater than 75%, but less than or equal to 87.5%;

FS1 RATE SCHEDULE  
Firm Storage Service  
With Market-Based Rates

3. INJECTIONS, WITHDRAWALS AND MAXIMUM STORAGE QUANTITY (Cont'd)

- (iv) 0.25% of MSQ when Shipper's inventory balance is greater than 87.5%.

Subject to Section 6 of this rate schedule, injections may exceed the MDIQ at the reasonable discretion of Southern Star.

(c) Daily Withdrawal Quantities

A Shipper only has a right to withdraw the storage gas which it owns and is available up to the MDWQ subject to the following withdrawal ratchet levels:

- (i) 100% of the contract MDWQ when the Shipper's inventory balance is greater than or equal to 30% of the MSQ;
- (ii) 90% of the contract MDWQ when the Shipper's inventory balance is greater than or equal to 20% and less than 30% of the MSQ;
- (iii) 80% of the contract MDWQ when the Shipper's inventory balance is greater than or equal to 10% and less than 20% of the MSQ;
- (iv) The lesser of 70% of the contract MDWQ or the Shipper's inventory balance when the Shipper's inventory balance is greater than 0% and less than 10% of the MSQ.

Subject to Section 6 of this rate schedule, withdrawals may exceed the available MDWQ at the reasonable discretion of Southern Star.

- (d) Withdrawals in excess of inventory level will be treated as imbalances under the associated transportation agreement.
- (e) Seasonal Maximum Inventory – Shipper's maximum inventory balance on April 1st of each year shall not exceed 25% of their MSQ. Inventory balances in excess of 25% will be retained by Southern Star and credited to the storage fuel and loss under Section 13 of the General Terms and Conditions. Southern Star may, under its sole discretion and judgment, allow FS1 Shippers' April 1st inventory balances to exceed 25%. If Southern Star does allow FS1 inventory balances to exceed 25% on April 1st, Southern Star will post a waiver of this section on CSI by February 15<sup>th</sup> stating the maximum percent of MSQ it will allow for the applicable year.

FS1 RATE SCHEDULE  
Firm Storage Service  
With Market-Based Rates

3. INJECTIONS, WITHDRAWALS AND MAXIMUM STORAGE QUANTITY (Cont'd)

- (f) Shippers electing not to renew their FS1 service for the Storage Contract Year will be required to withdraw 100% of Shipper's Maximum Storage Quantity such that its storage balance is zero by end of the contract term. Inventory volumes under this rate schedule may be sold in place pursuant to Section 2(c) of this rate schedule. In the event that Inventory Quantities remain in storage at the end of the contract term, these volumes will be retained by Southern Star and credited to the storage fuel and loss under Section 13 of the General Terms and Conditions.

4. MARKET-BASED RATE

- (a) The applicable rate for service under this FS1 Rate Schedule shall be a market-based rate as provided in the FS1 agreement between Shipper and Southern Star.
- (b) The charges for service under this rate schedule shall also include any other allocated costs or surcharges permitted by the Federal Energy Regulatory Commission.
- (c) Pursuant to Sections 13.3 and 13.4 of the General Terms and Conditions set forth in this Volume No. 1 Tariff and as set out from time to time in Sheet No. 13 of this Tariff, storage fuel and loss is to be reimbursed in kind and will be based upon the net daily quantities received for injection.

5. MONTHLY BILL

- (a) The bill for storage service during each billing period under this rate schedule shall be the sum of the Reservation Charges, the Injection Charge, and the Withdrawal Charge as follows:
  - (i) The Reservation Charge shall be the product of (1) the sum of the MSQ rights as set forth in the FS1 Service agreement and (2) the Reservation Rate as set forth in the associated market-based rate agreement, plus any applicable reservation surcharges.

FS1 RATE SCHEDULE  
Firm Storage Service  
With Market-Based Rates

5. MONTHLY BILL (Cont'd)

- (ii) The Injection Charge shall be the product of (1) the sum of the net daily quantities received for injection and (2) the Injection Rate, plus any applicable commodity surcharges.
- (iii) The Withdrawal Charge shall be the product of (1) the sum of the net daily quantities withdrawn and (2) the Withdrawal Rate, plus any applicable commodity surcharges.
- (iv) Southern Star will not assess reservation or commodity surcharges on deliveries to interfaces or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.
- (b) The bill shall include any daily Authorized Overrun Service charge determined pursuant to Section 6 of this rate schedule.
- (c) The bill shall include any scheduling and balancing charges or penalties determined pursuant to Sections 9 and 10 of the General Terms and Conditions.

6. AUTHORIZED OVERRUN SERVICE

Service under this rate schedule on any day shall not exceed the MSQ, MDIQ or MDWQ, as applicable; provided, however, Southern Star may, at the request of Shipper, inject on any day quantities in excess of the MSQ or MDIQ, or withdraw on any day quantities in excess of the MDWQ, respectively, to the extent in Southern Star's reasonable judgment, the storage capacity of its system so permits without impairing the ability of Southern Star to meet its full obligations of its firm service customers. The applicable rate for any such overrun service shall be a market-based rate as provided in the FS1 agreement between Shipper and Southern Star. Such authorized overrun service shall be subject to the same operating terms and conditions as are extended to service provided under Rate Schedules ISS & IS1 and shall not interrupt flowing FSS or FS1 service or the firm storage components of TSS or STS service. The authorized overrun charge shall only be charged if the MSQ, MDIQ or MDWQ is exceeded under any service agreement.

FS1 RATE SCHEDULE  
Firm Storage Service  
With Market-Based Rates

7. STORAGE OPERATIONS

- (a) All storage fields will be operated as a pool with Southern Star retaining full operational control.
- (b) Monthly imbalances under all transportation agreements with each Shipper may be injected into or withdrawn from storage under that Shipper's storage agreement, as provided in Section 9 of the General Terms and Conditions, subject to the availability of storage capacity or storage inventory, as appropriate, up to the MSQ.
- (c) Southern Star will provide a monthly estimate of each Shipper's inventory balance.

8. RESERVATION CHARGE CREDIT

If, except for reasons of force majeure, Southern Star is unable to inject or withdraw during any one or more days the quantity of natural gas which Shipper desires to inject or withdraw, up to the MDIQ or MDWQ, then the Reservation Charge as otherwise determined shall be reduced by an amount equal to the difference between the quantity of natural gas actually injected or withdrawn on the day(s) involved and the quantity of natural gas, up to the MSQ, which Shipper in good faith demanded to inject or withdraw on such day(s) times the applicable Reservation Rate and Reservation Surcharges stated on a daily basis.

9. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions set forth in this Volume No. 1 Tariff are applicable to this rate schedule and are hereby made a part hereof.

IS1 RATE SCHEDULE  
Interruptible Storage Service  
With Market-Based Rates

1. AVAILABILITY

This rate schedule applies to the 4,000,000 Dth of storage and 40,000 Dth/Day of deliverability for which Southern Star has received approval to charge market-based rates under Docket No. CP10-2. This rate schedule is available to any party who has an effective FTS or ITS Service Agreement under the following conditions:

- (a) Shipper shall provide the information specified by Section 8 of the General Terms and Conditions and Shipper shall execute an IS1 Service Agreement for service under this rate schedule in the form provided in this Tariff and an associated market-based rate agreement.
- (b) Notwithstanding any other provisions hereof, Southern Star shall inject, store, and withdraw only such quantities of Shipper's gas which Southern Star in its sole discretion determines it can so inject, store, and withdraw after Southern Star has satisfied the total requirements of its higher priority customers as defined in Section 9 of the General Terms and Conditions; provided, however, that in no event can the MSQ hereunder exceed 100 times the MDTQ of the associated transportation service agreement(s).
- (c) In the event Southern Star determines that a period of daily allocation or capacity curtailment is required on its system, all deliveries under Rate Schedule IS1 may be reduced or discontinued in accordance with Section 9 of the General Terms and Conditions.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This rate schedule shall apply to all interruptible storage service up to the Maximum Storage Quantity (MSQ) which is rendered by Southern Star for Shipper pursuant to an executed IS1 Service Agreement.
- (b) Storage Service under this rate schedule shall be interruptible and shall consist of the acceptance and injection by Southern Star of natural gas tendered by Shipper, the storage of such gas, and the withdrawal and delivery of natural gas for Shipper's account at the applicable Storage area Point of Injection/Withdrawal.



IS1 RATE SCHEDULE  
Interruptible Storage Service  
With Market-Based Rates

2. APPLICABILITY AND CHARACTER OF SERVICE (Cont'd)

- (c) Gas stored under this rate schedule may be sold in place to other parties having sufficient available Rate Schedule FS1 or IS1 storage capacity. Parties wishing to make sales of gas in place must notify Southern Star in writing that such sale has occurred by the effective date of the transaction.
- (d) Storage Service under this rate schedule shall be subject to reduction or interruption as provided in Section 9 of the General Terms and Conditions and pursuant to Rate Schedules TSS, STS, FSS, and FS1.

3. INJECTIONS AND WITHDRAWALS

- (a) Each Shipper shall submit injection and withdrawal nominations, pursuant to Section 9 of the General Terms and Conditions of this Tariff.
- (b) Injections and withdrawals may be made on an interruptible basis.
- (c) A Shipper only has a right to withdraw the storage gas which it owns and which is available for withdrawal.
- (d) Seasonal Maximum Inventory – Shipper's maximum inventory balance on April 1<sup>st</sup> of each year shall not exceed 25% of their MSQ. Inventory balances in excess of 25% will be retained by Southern Star and credited to the storage fuel and loss under Section 13 of the General Terms and Conditions. Southern Star may, under its sole discretion and judgment, allow IS1 Shippers' April 1<sup>st</sup> inventory balances to exceed 25%. If Southern Star does allow IS1 inventory balances to exceed 25% on April 1<sup>st</sup>, Southern Star will post a waiver of this section on CSI by February 15<sup>th</sup> stating the maximum percent of MSQ it will allow for the applicable year.

IS1 RATE SCHEDULE  
Interruptible Storage Service  
With Market-Based Rates

3. INJECTIONS AND WITHDRAWALS (Cont'd)

- (e) Shipper must be prepared to remove gas from storage within a reasonable period, as negotiated by the parties, but in no event greater than 45 days after notice from Southern Star to remove such quantities. The 45 day period will be extended one day for each day on which the Shipper nominates gas to be withdrawn but Southern Star is unable to accept such nomination. If Shipper has nominated the gas to be withdrawn on 30 consecutive days during the 45 day period, and Southern Star has been unable to accept such nominations, Southern Star will purchase the gas in place at the spot market price as defined in Section 9 of the General Terms and Conditions. As provided above, Shippers may sell gas in place to another Shipper pursuant to Section 2(c) of this rate schedule. If gas is not removed or sold in place in such period, Southern Star will keep the gas and apply it as credit to the storage fuel and loss under Section 13 of the General Terms and Conditions.

4. MARKET-BASED RATE

- (a) The applicable rate for service under this IS1 Rate Schedule shall be a market-based rate as provided in the IS1 agreement between Shipper and Southern Star.
- (b) The charges for service under this rate schedule shall also include any other allocated costs or surcharges permitted by the Federal Energy Regulatory Commission.
- (c) Pursuant to Sections 13.3 and 13.4 of the General Terms and Conditions set forth in this Volume No. 1 Tariff and as set out from time to time in Sheet No. 13 of this Tariff, storage fuel and loss is to be reimbursed in kind and will be based upon the net daily quantities received for injection.

IS1 RATE SCHEDULE  
Interruptible Storage Service  
With Market-Based Rates

5. MONTHLY BILL

- (a) The bill for storage service during each billing period under this rate schedule shall be the applicable charges as follows:
  - (i) The Commodity Charge shall be the product of (1) the sum of the daily storage balances and (2) the Commodity Rate as specified in the associated market-based rate agreement, plus any applicable surcharges.
  - (ii) The Injection Charge shall be the product of (1) the net daily quantities received for injection and (2) the Injection Rate, plus any applicable commodity surcharges.
  - (iii) The Withdrawal Charge shall be the product of (1) the net daily quantities withdrawn and (2) the Withdrawal Rate, plus any applicable commodity surcharges.
  - (iv) Southern Star will not assess commodity surcharges on deliveries to interfaces or pools when such quantities are delivered to another downstream transportation agreement with Southern Star.
- (b) The bill shall include any scheduling and balancing charges or penalties determined pursuant to Sections 9 and 10 of the General Terms and Conditions.

6. STORAGE OPERATIONS

- (a) All storage fields will be operated as a pool with Southern Star retaining full operational control.
- (b) Monthly imbalances under all transportation agreements with each Shipper may be injected into or withdrawn from storage under that Shipper's storage agreement, as provided in Section 9 of the General Terms and Conditions, subject to the availability of storage capacity and working gas, as appropriate, up to the MSQ.
- (c) Southern Star will provide a monthly estimate of each Shipper's inventory balance.

IS1 RATE SCHEDULE  
Interruptible Storage Service  
With Market-Based Rates

7. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions set forth in this Volume No. 1 Tariff are applicable to this rate schedule and are hereby made a part hereof.

SHEET NOS. 168-199 ARE RESERVED FOR FUTURE USE.

GENERAL TERMS AND CONDITIONS

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## GENERAL TERMS AND CONDITIONS

### 1. DEFINITIONS

- 1.1 "AOS" - means Authorized Overrun Service.
- 1.2 "Billing Location" - means one or more delivery meters serving a particular geographic area, and is synonymous with the term delivery point as used herein. The points listed on Southern Star's Master Delivery Point List are Billing Locations.
- 1.3 British Thermal Unit ("BTU") - means the amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit from fifty-nine (59) degrees Fahrenheit to sixty (60) degrees Fahrenheit.
- 1.4 "Business Day" - means Monday through Friday, excluding Federal Banking Holidays.
- 1.5 Central Clock Time ("CCT") - means Central Standard time throughout the year, as adjusted for Central Daylight time.
- 1.6 "Confirmation" - means either an express confirmation or a confirmation through inaction, as described in Section 23.
- 1.7 "Cubic Foot" - means the volume of gas which occupies one cubic foot of space when held at a base temperature of sixty (60) degrees Fahrenheit and a base pressure of 14.73 psia.
- 1.8 Customer Service Innovations ("CSI") - Southern Star Central Gas Pipeline's internet-based customer service system and electronic bulletin board.
- 1.9 "Day" - means calendar day, unless otherwise specified.
- 1.10 Dekatherm ("Dth") - One Dth equals one million BTUs (MMBTU).
- 1.11 "Delivering Party" - means the owner or operator of the facilities from which gas is physically delivered into Southern Star's facilities.
- 1.12 "FERC" or "Commission" - means the Federal Energy Regulatory Commission or any successor entity thereto.
- 1.13 "Gas Day" - Standard time for the Gas Day is 9 a.m. to 9 a.m. (Central Clock Time).

## GENERAL TERMS AND CONDITIONS

### 1. DEFINITIONS (Cont'd)

- 1.14 "Gas" or "Natural Gas" - means any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane. Such gas may be either in its natural state produced from wells, including casinghead and residue gas, or after manufacture or other methods of producing synthetic gas.
- 1.15 "Gas Heating Value" - means the number of BTUs per cubic foot of gas where the gas is measured at 14.73 psia and 60 degrees Fahrenheit. If the gas stream is not dehydrated prior to entering Southern Star's system, the gas shall be deemed "saturated", and the gas heating value shall be corrected for the amount of water vapor that can be present at flowing conditions based on temperature and pressure at the point of volumetric measurement.
- 1.16 "Master Delivery Point List" - means the list of all points (locations) at which Southern Star can deliver gas to Shippers.
- 1.17 "Master Receipt Point List" - means the list of all points (locations) at which Southern Star can receive gas from Shippers.
- 1.18 Maximum Daily Injection Quantity ("MDIQ") - means the maximum number of Dth a Shipper is entitled to inject into Southern Star's storage facilities on any day before any applicable reductions for storage fuel and loss.
- 1.19 Maximum Daily Quantity ("MDQ") - means the maximum number of Dth a Shipper, on any day, is entitled to tender to Southern Star at each Primary Receipt Point or to receive from Southern Star at each Primary Delivery Point.
- 1.20 Maximum Daily Transportation Quantity ("MDTQ") - means the maximum number of Dth a Shipper is entitled to transport on Southern Star's system on any day.
- 1.21 Maximum Daily Withdrawal Quantity ("MDWQ") - means the maximum number of Dth a Shipper is entitled to withdraw from Southern Star's storage facilities on any day.



## GENERAL TERMS AND CONDITIONS

### 1. DEFINITIONS (Cont'd)

- 1.22 Maximum Storage Quantity ("MSQ") - means the maximum number of Dth a Shipper is entitled to store in Southern Star's storage facilities.
- 1.23 "MCF" - means one thousand cubic feet of gas measured at base conditions of 14.73 psia and 60 degrees Fahrenheit.
- 1.24 "MDP" - means minimum delivery pressure.
- 1.25 "Month" - means a calendar month.
- 1.26 Operational Balancing Agreement ("OBA") - means a contract between two parties which specifies the procedures to manage operating variances at an interconnect. Southern Star shall offer Operational Balancing Agreements on a non-discriminatory basis.
- 1.27 Operational Flow Order ("OFO") - means an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or integrity of Southern Star's system, or to maintain operations required to provide efficient and reliable firm service. Whenever Southern Star experiences these conditions, any pertinent order will be referred to as an Operational Flow Order.
- 1.28 "Point Operator" - means any party who is either a Receiving Party or Delivering Party.
- 1.29 Predetermined Allocation Agreement ("PDA") - means an agreement under which the operator of the facilities at a receipt or delivery point specifies how gas received by or delivered by Southern Star shall be allocated in accordance with confirmed nominations at such point, including how any underage or overage of actual receipts or deliveries from confirmed nominations shall be allocated. Southern Star shall offer predetermined allocation agreements on a non-discriminatory basis. An OBA is a type of PDA.
- 1.30 "psia" - means pressure expressed in pounds per square inch absolute.
- 1.31 "psig" - means pressure expressed in pounds per square inch gauge.
- 1.32 "Receiving Party" - means the owner or operator of the facilities into which Southern Star physically delivers gas for Shipper.

## GENERAL TERMS AND CONDITIONS

### 1. DEFINITIONS (Cont'd)

1.33 "Shipper" - means a party which executes a Transportation or Storage Service Agreement with Southern Star under one of the Transportation or Storage Rate Schedules contained in this FERC Gas Tariff, Volume No. 1.

1.34 "Southern Star" - means Southern Star Central Gas Pipeline, Inc.

1.35 "Thermally Equivalent" - means an equal number of Dths.

## GENERAL TERMS AND CONDITIONS

### 2. PRODUCTION AREA/MARKET AREA

The Production Area and Market Area are depicted on the system map which may be found at the following uniform resource locator (URL):

<https://csimain.southernstar.com/EBBPostingDocs/Other/TariffShark/GeneralSystem.pdf>

The Production Area/Market Area boundary on such map and described below represents general areas and is not indicative of the classification of facilities for rate purposes. Southern Star's Master Receipt Point and Master Delivery Point Lists specify the specific receipt and delivery points in each area.

Rates stated herein for Production and Market Areas are discrete and shall be additive for transactions involving the movement of gas in more than one area.

## GENERAL TERMS AND CONDITIONS

### 2. PRODUCTION AREA/MARKET AREA (Cont'd)

#### 2.1 Production Area

The Production Area generally includes areas of Southern Star's system west or south of the discharge side of the Hesston, Kansas compressor station, west or south of the discharge side of the Blackwell, Oklahoma compressor station, and west or south of the discharge side of the Cotton Valley, Oklahoma compressor station; provided, however, that the following facilities shall be considered to be in the area specified:

The Lyons to Superior pipeline and laterals connected to that pipeline which are north of the discharge side of the Lyons compressor station are considered to be in the Market Area.

The Wichita, Kansas area and areas served directly from facilities extending south from the Hesston compressor station to the Wichita area, and facilities extending north from the Blackwell compressor station to the Wichita area, including the Wichita loop, are considered to be in the Production Area.

#### 2.2 Market Area

Other areas not specifically addressed in 2.1 above are considered to be in the Market Area.

#### 2.3 System Access

Southern Star will provide non-discriminatory access to all sources of supply in accordance with Part 284 of the Commission's regulations.

## GENERAL TERMS AND CONDITIONS

### 3. QUALITY

#### 3.1 Gas Delivered

Gas delivered by Southern Star shall be of merchantable quality and shall have a system-wide weighted average heat content of not less than 950 BTUs per cubic foot on a dry basis.

#### 3.2 Gas Received

Unless otherwise specified in the executed Service Agreement, or arrangements acceptable to Southern Star to process, condition or treat non-conforming gas are made, all gas tendered to Southern Star at any receipt point hereunder shall conform to the following specifications:

- (a) Liquids: The gas shall be free from hydrocarbons and water in their liquid state at the temperatures and pressures delivered and shall not have a hydrocarbon dew point in excess of forty degrees Fahrenheit (40 deg. F) as calculated from a chemical analysis based upon flowing pressure; provided, however, if and to the extent that Southern Star is operating its Line RI as a “wet” line, Southern Star may waive such hydrocarbon dew point quality specification for unprocessed gas received at Receipt Location 15433 – Satanta Plant and nominated for delivery to Delivery Location 19000 – LINN Jayhawk Delivery for processing.
- (b) Hydrogen Sulfide and Total Sulfur: The gas shall contain not more than one quarter (1/4) grain of hydrogen sulfide per one hundred (100) cubic feet and not more than twenty (20) grains total sulfur per one hundred (100) cubic feet.

## 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 or ten parts per million (10 PPM) of oxygen depending on the carbon dioxide content, as further described in paragraph (d) below. However, gas received on Line Segments 315, 340 and 385 shall not contain in excess of 10 PPM of oxygen. And every reasonable effort shall be made to keep the gas completely free of oxygen. Notwithstanding the foregoing, Southern Star may accept gas in excess of 10 PPM on Line Segments 315, 340 and 385 based on operational and engineering considerations and its ability to deliver gas with an oxygen content acceptable for deliveries to other interstate or intrastate pipelines, including its ability to blend gas adequately with other gas within the segment and still meet such downstream delivery specifications.
- (d) Carbon Dioxide: The gas shall contain not more than one percent (1%) by volume of carbon dioxide if the gas contains more than 10 PPM of oxygen but not more than 0.2% by volume of oxygen. However, if the gas contains not more than 10 PPM of oxygen, then the gas shall contain not more than two percent (2%) 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) and not more than one thousand one hundred twenty-five (1,125) BTUs 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 BTUs 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.).

## GENERAL TERMS AND CONDITIONS

### 3. QUALITY (Cont'd)

- (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) Inerts: The gas shall contain not more than five percent (5%) by volume of inert gases in the Market Area.
- (k) Notwithstanding the provisions of paragraphs (a) through (j) 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.

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

### 3. QUALITY (Cont'd)

Notwithstanding any other provisions hereof, if natural gas tendered to Southern Star fails to conform to the quality specifications set forth above or is contaminated by hazardous substances or hazardous materials as defined by the U.S. Environmental Protection Agency then Southern Star may either refuse to accept delivery of such gas or Southern Star may act to collect, process, treat or otherwise handle such natural gas volumes to remove such hazardous substances or materials from the natural gas to dispose of same. In connection with such disposal, Southern Star will arrange, when feasible in Southern Star's sole opinion, for the appropriate treatment of such hazardous substances or materials, and will advise Shipper in writing, as soon as reasonably practicable, of the final disposition of such substances or materials. Shipper agrees to reimburse or cause Southern Star to be reimbursed for Shipper's proportionate share of all reasonable expenses incurred in the removal, handling, treatment and disposal of such hazardous substances or materials. In addition, except to the extent caused by Southern Star's gross negligence, willful acts or omissions, Shipper shall indemnify and hold Southern Star harmless from any and all liability, damages, costs including attorneys fees, claims, demands and expenses of any nature arising from or in any manner connected with Southern Star's removal, handling, treatment, disposal or transportation of hazardous substances or materials removed from natural gas tendered by Shipper.

Southern Star shall have the right to collect from all Shippers delivering gas to Southern Star at a common Receipt Point their volumetric pro rata share of the cost of any additional gas analysis and quality control equipment which Southern Star, at its reasonable discretion, determines is required to be installed at such Receipt Point to monitor the quality of gas delivered.

Southern Star shall have the right to waive any of the quality specifications contained in this Section 3 on a non-discriminatory basis if waiver of such specification(s) does not impair system operations.



## GENERAL TERMS AND CONDITIONS

### 4. RECEIPT, DELIVERY AND POOLING POINTS

#### 4.1 Designation of Receipt, Delivery, and Pooling

Primary receipt and delivery points under firm agreements shall be specified in the executed service agreements. Receipt points for the withdrawal of gas from storage and delivery points for the injection of gas into storage shall be specified as "Storage". Southern Star shall make available Master Receipt Point and Master Delivery Point lists within the Production Area and the Market Area.

The points of interface between (a) the Production Area and the Market Area, and (b) the facilities of Southern Star and other interstate or intrastate pipelines, may be designated by Shippers in transportation service agreements as receipt and delivery points. Parties holding a service agreement to transport gas on Southern Star's system upstream of the Production Area/Market Area Interface will be charged for upstream (Production Area) transportation and parties holding a service agreement to transport gas on Southern Star's system downstream of the Production Area/Market Area Interface will be charged for downstream (Market Area) transportation.

Southern Star will provide pooling service pursuant to Rate Schedule PS contained herein.

Pooling is (1) the aggregation of gas from multiple physical and/or logical points to a single physical or logical point and/or (2) the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points. Deliveries from receipt points can be delivered directly into at least one pool and delivery points can receive quantities from at least one pool, excluding non-contiguous facilities.

Transactions at pooling points should not be consolidated for billing purposes.

## GENERAL TERMS AND CONDITIONS

### 4. RECEIPT, DELIVERY AND POOLING POINTS (Cont'd)

#### 4.1 Designation of Receipt, Delivery, and Pooling (Cont'd)

Pooling Agreements will remain in effect during OFO periods, as defined in Section 10.

Any applicable storage charges are in addition to transportation charges.

A Shipper may contract with any other party to act as agent for purposes of administering the Shipper's service agreement with Southern Star. An agent has the same rights as the Shipper under the Shipper's service agreement with Southern Star, to the extent that such Shipper has expressly delegated those rights to the agent.

## GENERAL TERMS AND CONDITIONS

### 4. RECEIPT, DELIVERY AND POOLING POINTS (Cont'd)

#### 4.2 Receipt and Delivery Point Flexibility

Southern Star shall use reasonable efforts, subject to system operations, to accommodate Shipper's requests to move or change primary receipt and delivery points effective with the beginning of the gas day following such request. However, with respect to Rate Schedules TSS, STS, and FTS, such changes are subject to available capacity and may take Southern Star up to 3 business days to approve or reject such request.

Shippers under Rate Schedule TSS, STS, and FTS may designate secondary receipt points at any time using Southern Star's Production Area and/or Market Area Master Receipt List(s). Shippers under Rate Schedules TSS and FTS may designate secondary delivery points at any time using Southern Star's Production Area and/or Market Area Master Delivery Point List(s). Secondary receipt points under all specified rate schedules and secondary delivery points under Rate Schedule FTS may be utilized pursuant to the nomination and operating procedures set forth in Section 9. When a Shipper under Rate Schedule TSS desires to utilize a secondary delivery point, such Shipper must nominate deliveries at such delivery point. Southern Star will act upon requests to utilize a secondary delivery point as provided in Section 9. Use of such secondary delivery point is subject to the limitation set forth in Section 4.3 below. Secondary receipt point and delivery point nominations will be treated as firm, subordinate to primary receipt and delivery point commitments at the nominated secondary receipt or delivery points.

Southern Star will schedule interruptible Shippers who are "bumped" as a result of the flexibility provided above in accordance with the provisions of Section 9.

#### 4.3 Delivery Points Under Rate Schedules TSS and STS

Only one Rate Schedule TSS or STS service agreement will be permitted at each delivery point, unless the operator of that delivery point and Southern Star have entered into a PDA agreement covering all gas delivered at that point.

## GENERAL TERMS AND CONDITIONS

### 5. DETERMINATION OF RECEIPTS AND DELIVERIES

#### 5.1 Receipts and Deliveries

The types of allocation methodologies is a list from which two parties may agree. List of allocation methodology types agreed upon: ranked, pro rata, percentage, swing, and operator provided value. If the two parties cannot agree upon an allocation methodology, pro rata based upon confirmed nominations should be used as the default method. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation.

A Shipper under Rate Schedule STS may not receive deliveries of gas (1) under Rate Schedule ITS, (2) as a Replacement Shipper under the firm capacity reassignment provisions of Section 11, or (3) from third parties, unless such Shipper first takes its full MDTQ under Rate Schedule STS.

#### 5.2 Availability and Applicability of OBAs and PDAs

Southern Star will enter into an OBA or PDA on a non-discriminatory basis with any party who operates the facilities at a receipt or delivery point on Southern Star's transmission system if such party meets Southern Star's credit-worthiness standards; provided, however, that Southern Star will not enter into OBAs at wellhead receipt points.

PDAs and OBAs will remain in effect during OFO periods.

Only one PDA allocation methodology can be applied per allocation period.

## GENERAL TERMS AND CONDITIONS

### 6. RIGHT OF FIRST REFUSAL AT EXPIRATION OR RENEGOTIATION OF AGREEMENTS

#### 6.1 Applicability

The right of first refusal is applicable only to service agreements under Rate Schedules FTS, STS, FSS and TSS when either the Primary Term is 12 months or more in length, or when an extended term is 12 months or more (independent of the Primary Term) and in all of the above cases Shipper must pay Southern Star's maximum rate as stated on the applicable Tariff Sheet Nos. 8-12 for the 12 or more consecutive months of service immediately prior to the end of the term; provided, however, that for all such discounted service agreements with terms of one year or more which were in effect prior to May 15, 2003, the right of first refusal shall also apply at the expiration of those service agreements; and provided, that for all agreements where the Shipper paid Southern Star's maximum rate as stated on the applicable Tariff Sheet Nos. 8-12 for 12 or more consecutive months of service and the service agreement was in effect prior to May 1, 2010, the right of first refusal shall also apply at the expiration of those service agreements. If it is mutually agreeable between Southern Star and an existing capacity holder, prior to the expiration of the term of an existing service agreement and prior to Southern Star posting the available capacity under Section 6.2, if applicable, Southern Star and the existing capacity holder may agree to an extension of the term of the service agreement with respect to all or part of the underlying capacity (the exact length of which is to be negotiated on a case-by-case basis in a not unduly discriminatory manner).

## GENERAL TERMS AND CONDITIONS

### 6. RIGHT OF FIRST REFUSAL AT EXPIRATION OR RENEGOTIATION OF AGREEMENTS (Cont'd)

#### 6.2 Procedure

Southern Star will post the availability of capacity under an expiring or terminating service agreement on its electronic bulletin board together with all applicable terms (including quantity and maximum rate) six months prior to the expiration or termination of any such service agreement, however, if the termination notice period under a service agreement is less than six months, Southern Star shall post the availability of such capacity after either party provides the other with a notice of termination. Such posting shall state the bid closing date and will remain on the bulletin board for at least one month. Bids for such capacity may be for less than the total amount of the capacity available.

The best bid shall be that bid which Southern Star determines, after consideration of the elements of the bid, including but not limited to, term, quantity, and rate(s), provides the greatest economic value, after discounting for net present value. Southern Star will evaluate the net present value of any bid using a discount rate equal to the interest rate applicable to pipeline refunds pursuant to Section 154.501 of the Commission's regulations or successor regulation. A bid to pay the maximum rate for a given term will be deemed superior to a bid to pay a specified dollar rate, which is equal to the currently effective maximum rate, for the same term, if other elements of the bids are the same. In the event of a tie, the best bid first received by Southern Star will be the best bid.

## GENERAL TERMS AND CONDITIONS

### 6. RIGHT OF FIRST REFUSAL AT EXPIRATION OR RENEGOTIATION OF AGREEMENTS (Cont'd)

Within 5 business days following the bid closing date, Southern Star will evaluate the bids received. Southern Star will not disclose the identity of the bidder making the best bid. If the best bid is a contingent bid, Southern Star will notify the bidder making the best bid within 5 business days following the bid closing date. That bidder will have 5 business days following such notification to satisfy or waive the contingency or Southern Star may disregard such bid.

Southern Star will notify the existing capacity holder of the best bid or that no bids were received within 5 business days after resolution of any contingencies and determining the best bid. The existing capacity holder will have a right of first refusal to match the best bid received for such capacity within 30 days after receiving the notification of the best bid. The highest rate that the existing capacity holder must match, if it desires to retain all or a portion of its capacity, is the applicable maximum tariff rate, including surcharges, for such service. The existing capacity holder's right of first refusal will expire if it fails to match the best bid and Southern Star executes a service agreement with the bidder making the best bid.

#### 6.3 Creditworthiness

To ensure that competing bids are bona fide, the bidding party must meet the creditworthiness requirements as set forth in Section 8.

#### 6.4 No Bids Received

If no bids are received, service may continue at a negotiated rate and term, but in no event shall Southern Star be required to provide service at less than maximum rates. If no bids are received or the party that submitted the best bid does not execute and return the Service Agreement within five (5) business days, the existing capacity holder will be given ten (10) business days to notify Southern Star whether it wants to retain the capacity at the best bid level or at the maximum rate and the desired term, consistent with Section 7.

#### 6.5 Acceptance of Bids

Southern Star is not required to provide service at any rate less than the maximum rate, or charge, as specified on the applicable Tariff Sheet Nos. 8-12.

## GENERAL TERMS AND CONDITIONS

### 7. SERVICE AGREEMENT AND TERM

- 7.1 The rights and obligations of Southern Star and each Shipper shall be governed by the executed service agreement between the parties.

The executed service agreement may vary from the applicable Form of Service Agreement in Southern Star's tariff by page headers, placement on the page, number of pages, format, capitalization and font.

The term shall be specified by mutual agreement. The date blank(s) in the Term section of a pro forma service agreement may be filled in with specific date(s) or with reference(s) related to the in service date of Southern Star facilities or the receipt of governmental approvals or other defined events, as appropriate. Additionally, after the defined event occurs, Southern Star may send a notice to the other party confirming the actual term dates.

Agreements for firm service having a primary term of less than five years shall not be entitled to evergreen rights. Agreements for firm service having a primary term or extended term of at least five continuous years of service wherein Shipper pays Southern Star's maximum rate as stated on the applicable Tariff Sheet Nos. 8-12 for the most recent five-year period within the term of the contract prior to its termination date, will continue for successive five year terms thereafter, unless canceled, effective at the end of the term, by twelve months advance written notice by either party; provided, however, that for all such discounted service agreements with terms of five years or more which were in effect prior to August 1, 2009, the evergreen right will apply once at the end of the current term.

Service agreements and the terms thereof are governed by the Natural Gas Act, the Natural Gas Policy Act and FERC regulations promulgated thereunder.

Failure to pay (1) amounts due for service rendered pursuant to executed service agreements, or (2) charges otherwise authorized under this FERC Gas Tariff will subject Shipper to suspension of service and/or termination of the service agreement as set forth in Section 18 (Billing and Payments).

The interpretation, performance and enforcement of all Agreements shall be construed in accordance with the laws of the State of Kentucky.



## GENERAL TERMS AND CONDITIONS

### 7. SERVICE AGREEMENT AND TERM (Cont'd)

- 7.2 Southern Star may also mutually agree to contractual rollover or evergreen provisions, which may differ from the evergreen rights defined above, with firm foundation or anchor shipper(s) supporting an expansion project. Southern Star shall agree to such contractual rollover or evergreen provisions on a non-discriminatory basis for similarly situated shippers as stated in an open season posting. Without limitation of the foregoing, such a contractual rollover provision may include a unilateral right on the part of the foundation or anchor shipper to extend the term of the service agreement by notice to Southern Star by a time specified and rights of first refusal in addition to those specified in General Terms and Conditions Section 6.

Southern Star may also mutually agree to contractual rollover or evergreen provisions, which may differ from the evergreen rights defined above, with shippers committing production reserves or supplies to Southern Star. Southern Star shall agree to such contractual rollover or evergreen provisions on a nondiscriminatory basis for similarly situated shippers agreeing to a commitment of reserves or supplies. Without limitation of the foregoing, such a contractual rollover provision may include a unilateral right on the part of the shipper making a commitment of reserves or supplies to extend the term of the service agreement by notice to Southern Star by a time specified and rights of first refusal in addition to those specified in General Terms and Conditions Section 6.

Any firm service agreement containing such contractual rollover or evergreen provisions shall be posted in a firm transactional report pursuant to Section 284.13 of the FERC's regulations and filed with the FERC as a non-conforming contract.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE

Transportation (including storage) service shall be provided to any party, subject to the terms of the individual rate schedules, in a manner that is not unduly discriminatory.

#### 8.1 Service Requests

Shipper must complete a Service Request Form as provided on Southern Star's CSI. All requests for interruptible or firm service shall be submitted electronically via Southern Star's CSI or made in writing. Written requests must be submitted to the following address:

Southern Star Central Gas Pipeline, Inc.  
Attention: Commercial Services  
P.O. Box 20010  
Owensboro, KY 42304-0010

Each request shall be considered valid on the date all information and fees required on the request form are received by Southern Star's Commercial Services Department. Southern Star will forward an interruptible service agreement to any Shipper who has been pre-approved for creditworthiness and provided all necessary information as stated in this tariff no later than two business days after receipt of such Shipper's request and necessary information. During the term of an existing agreement, shippers may request a temporary or permanent increase in their firm capacity without executing a new agreement.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.1 Service Requests (Cont'd)

If such firm capacity increase is for a full twelve months or more, at maximum rates, it will qualify for right of first refusal rights per General Terms and Conditions Section 6 of this Tariff and evergreen rights consistent with the underlying agreement. Southern Star shall not be obligated to accept requests for firm service that would require Southern Star to render more service than it can perform on or after the requested effective date.

Southern Star shall not be obligated to accept requests for firm service under Rate Schedules FTS, FSS, FS1, TSS, or STS to the extent Southern Star cannot perform such service on a firm basis 365 days per year, or if such requested service might interfere with its ability to provide no-notice service or other firm services for which Southern Star has already contracted.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.1 Service Requests (Cont'd)

Requests for service shall become invalid if the requestor:

- (a) fails to execute and return to Southern Star the appropriate service agreement within thirty (30) days after Southern Star tenders such service agreement to the requestor, unless the thirty-day period is extended by mutual agreement, or
- (b) fails to provide Southern Star, by no later than the time that such executed service agreement is returned to Southern Star:
  - (1) payment for all fees and facilities specified in the applicable rate schedule and service agreement, and
  - (2) any additional information (as described on Southern Star's Service Request Form) necessary for Southern Star to process requests for service consistent with all applicable rules, regulations or orders of the Commission or other regulatory authority having jurisdiction.

Prior to commencing service to be provided pursuant to Subpart B of Part 284 of the Commission's regulations, Shipper and (1) the local distribution company, or (2) the intrastate pipeline company shall provide certification to Southern Star, including sufficient information to verify that such service is on behalf of a local distribution company or intrastate pipeline, as provided by 18 CFR Section 284.102.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.2 New Facilities

- (a) Southern Star shall not be obligated to construct, acquire, or replace any facilities to make service available under any rate schedule contained in this Volume No. 1 tariff. If Southern Star agrees to construct new facilities at receipt or delivery points, such facilities will be constructed pursuant to an executed construction and operating agreement between Southern Star and the Shipper.
- (b) No facilities of others may be connected to Southern Star's facilities without Southern Star's prior approval. Southern Star shall have the right to review and approve the design of any facilities proposed to be installed by others, to inspect such facilities when installed, to request operating data, and to secure well and other necessary information relating to all new receipt and delivery locations in order to protect its existing facilities. Southern Star will not be unduly discriminatory in its approval of facilities to be connected to Southern Star's facilities.

#### 8.3 Commingling

The gas delivered by Shipper to Southern Star shall be under Southern Star's control and possession while such gas is in Southern Star's facilities until redelivery by Southern Star to Shipper and from the time when gas is received by Southern Star into its facilities, Southern Star shall commingle such gas with other gas owned by others. Southern Star's only obligation hereunder shall be to redeliver to Shipper or on behalf of Shipper at the scheduled delivery points a quantity of gas containing the total thermal equivalent of the quantity of gas received by Southern Star for Shipper's account, less any appropriate reductions for fuel and loss. In the event the natural gas tendered by Shipper to Southern Star at the receipt point(s), or delivered by Southern Star to Shipper (or for Shipper's account) at the delivery point(s), is commingled with other natural gas at the time of measurement, the determination of deliveries applicable to Shipper shall be made in accordance with Section 5 of the General Terms and Conditions.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.4 Odorization

Southern Star may receive odorized gas by mutual agreement but shall not be obligated to odorize gas or to receive odorized gas in circumstances where the receipt of such gas may adversely affect the end use of such gas.

#### 8.5 Credit Worthiness

Southern Star shall not be required to perform or to continue service under this FERC Gas Tariff on behalf of any Shipper who is or has become insolvent or who, at Southern Star's request, fails within a reasonable period to demonstrate creditworthiness; provided, however, such Shipper may receive service for existing capacity under this FERC Gas Tariff if Shipper maintains a prepayment for three months of such service. Southern Star will evaluate creditworthiness on a non-discriminatory basis. Any Party desiring reassigned capacity under Section 11, must also satisfy these creditworthiness requirements.

Non-creditworthy shippers desiring to establish credit sufficient to acquire newly developed capacity must provide a letter of credit, parent guaranty or prepayment equivalent to the cost of the expansion capital required to build the new capacity.

Any Party may submit evidence of creditworthiness prior to requesting a service agreement or bidding for capacity and, to the extent of credit approval, be placed on a Pre-approved Bidders List for creditworthiness purposes for new and reassigned capacity.

Southern Star will periodically review and, if necessary, revise the Pre-approved Bidders List and the extent of any party's creditworthiness. A party on the Pre-approved Bidders List will remain on that list (1) until such party notifies Southern Star to remove its name from such list, (2) until such party no longer meets Southern Star's creditworthiness requirements, or (3) until such party fails to pay part or all of the amount of any bill for service under this FERC Gas Tariff.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.6 Ancillary Arrangements

Shipper shall have sole responsibility for all arrangements necessary for delivery of natural gas to Southern Star at the receipt point(s), for all arrangements necessary for receipt of natural gas from Southern Star at the delivery point(s), and for all arrangements necessary to move Shipper's gas through any third party's facilities, which arrangements otherwise meet the provisions set forth in these General Terms and Conditions.

From time to time, Southern Star may enter into service agreements with other interstate and intrastate pipelines, local distribution, and storage companies ("off-system services"). In the event that Southern Star acquires off-system services, Southern Star will use such for operational reasons or to render service for its customers. In the event that Southern Star utilizes off-system service on behalf of its customers, it will only render such service to customers pursuant to Southern Star's FERC Gas Tariff and subject to Southern Star's approved rates, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this section, the "Shipper must have title" requirement is waived.

#### 8.7 Warranty

Shipper hereby warrants that the title to all gas delivered by Shipper hereunder is free from all liens and adverse claims, including liens to secure payment of production taxes, severance taxes and other taxes and that the gas meets Section 3 quality specifications. Shipper at all times shall have the obligation to make settlements for all royalties due and payments to mineral and royalty owners and to make settlements with all other persons having any interest in the gas sold hereunder; and Shipper shall indemnify Southern Star and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expense arising out of or from adverse claims of any and all persons to said gas or to royalties, taxes, license fees, or charges thereon, which are applicable thereto or which may be levied and assessed thereon.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.8 Waivers

Southern Star shall not be required to perform or continue service on behalf of any Shipper or Point Operator that fails to comply with the terms contained in this Section 8 and the terms of the applicable rate schedule and service agreement. Southern Star shall have the right to waive any one or more specific defaults thereof by any Shipper or Point Operator; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.



## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.9 Electronic Communication

Southern Star will maintain CSI as required by Section 284.12 of the Commission's regulations, on which it will make available the following data:

(a) With regard to Available Capacity:

(1) For daily unscheduled capacity:

- (i) the receipt points at which capacity is available,
- (ii) the delivery points at which capacity is available,
- (iii) the amount of capacity available at each receipt, delivery point, line segment and mainline, and
- (iv) available storage capacity.

(2) For capacity released by a firm Shipper:

the notices and information required by Section 11 of these General Terms and Conditions.

Any party may obtain information regarding access to CSI by contacting Southern Star's Commercial Services Department, (270) 852-5123.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.9 Electronic Communication (Cont'd)

Southern Star will operate CSI on a non-discriminatory basis.

Also, Southern Star will provide downloadable information for Shippers per their request of its CSI files.

Southern Star will back-up the daily information on CSI. Historical information shall be kept for a rolling three (3) year period, inclusive of both on-line and archived data.

(b) Archived historical data may be accessed as follows:

- (1) User may send a written request or an email request to Southern Star requesting the historical data required.
- (2) Southern Star will make available the requested information electronically in a timely manner to the user.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.9 Electronic Communication (Cont'd)

Southern Star will use its best efforts to ensure the accuracy of information posted on CSI; however, Southern Star shall not be liable for the accuracy of any information posted on CSI unless any such inaccuracy results from negligence or willful misconduct by Southern Star.

Southern Star will not charge a usage fee on CSI but will include CSI costs in its general rates stated on the applicable Tariff Sheet Nos. 8-12 of this tariff. Southern Star will be the operator of CSI.

#### 8.10 Complaint Procedures

Shippers or potential Shippers are encouraged to first work with Southern Star to resolve problems on an informal basis prior to submitting a formal complaint.

- (a) In the event of an unresolved problem, Shipper should submit a complaint in writing to Southern Star using the following address:

Southern Star Central Gas Pipeline, Inc.  
Attention: Commercial Services and Business Development  
P.O. Box 20010  
Owensboro, KY 42304-0010

- (b) Any complaint shall state that it constitutes a complaint pursuant to these procedures. An initial response will be provided by Southern Star within two business days after receipt of any such complaint. A meeting will be held between the Shipper and Southern Star no later than 30 days after the complaint is submitted to try to resolve the complaint.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.10 Complaint Procedures (Cont'd)

- (c) If the complaint is not resolved to the Shipper's satisfaction, the Shipper may request a formal review by Commercial Services and Business Development. Review and written response will be made within 30 days.
- (d) If Shipper has exhausted all of the foregoing options, further discussion may be pursued with the General Counsel of Southern Star. Review and response by the General Counsel will be made within 30 days.

#### 8.11 Assignment

Any company which shall succeed by purchase, merger, bankruptcy reorganizations or consolidation to the properties of Southern Star or of a Shipper, shall be entitled to the rights and shall be subject to the obligations of its predecessor under a service agreement; provided, however, any other assignments of any firm service agreements shall be made pursuant to the provisions of Section 11. No other assignment of any of the rights or obligations thereunder shall be made unless there first shall have been obtained the consent thereto of the non-assigning party, which consent shall not be unreasonably withheld. Either party may, without the consent of the other party, assign or pledge the service agreement as security for bonds, other obligations, or securities.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.12 Processing Rights

Shippers may exercise, either on their own behalf or on behalf of any third party possessing such rights, any processing rights they may have to gas gathered or transported by Southern Star by nominating the gas quantities they desire to deliver to a processing plant on Southern Star's system for processing pursuant to a contract between the Shipper, or its designee, and plant for removal of any constituents of the gas. Subject to Southern Star confirming the nomination with all necessary parties, including the plant operator, the Shipper will be deemed to have warranted that the Shipper or its designee has the rights to process the gas and that the Shipper will indemnify and hold Southern Star harmless from any third party claims based on an assertion of processing rights to such gas. If the Shipper does not so exercise processing rights, or if the plant operator refuses to confirm Shipper's nomination, then Southern Star shall have the right to process the gas between the Shipper's designated Receipt Point(s) and Delivery Point(s), as provided in Section 19. Further, if Southern Star in good faith asserts in writing that Southern Star has acquired processing rights under a contract with an owner of such rights, then Southern Star shall have the right to process the gas downstream of the Shipper's designated Point(s) of Receipt, subject to the understanding that neither this tariff provision nor Section 19 shall be construed as a modification, abrogation, waiver, or compromise of any right, claim, or remedy with respect to such contract that any party may assert to, or with respect to, the constituents in the gas stream, for any time period. In the event that Southern Star prevails in any dispute based on the "good faith assertion," then Southern Star shall have the right to retain the substances resulting from the processing of the gas, pursuant to Section 19.

## GENERAL TERMS AND CONDITIONS

### 8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

#### 8.13 Discounting Policy

Southern Star shall apply discounts to its reservation and commodity charges in the following order: Reservation charges - first, base rate reservation charge. Commodity charges - first, base rate commodity charge.

#### 8.14 Open Seasons

Southern Star may conduct an open season to sell capacity posted as unsubscribed capacity that is not otherwise subject to a pending service request for firm service. If Southern Star conducts such an open season it will post a notice of the open season on CSI to afford all potential Shippers an opportunity to acquire the capacity. Any award of capacity through an open season is subject to the requirements for service to commence as set forth in this Tariff, including Southern Star's creditworthiness requirements. Any potential Shipper wishing to purchase the capacity in an open season may participate in the open season. Southern Star will use non-discriminatory and objective posting, bidding and evaluation criteria, which evaluation criteria will be specified in the notice of open season, along with the details of what constitutes a valid bid request and details of when the successful bidder(s), if any, will be identified by posting of a notice on CSI. Once an open season commences, all requests for service for the capacity available through the open season will be treated under this open season process. Southern Star reserves the right not to award capacity at less than the applicable maximum rate. If no acceptable bids are received during an open season, Southern Star will post the capacity as unsubscribed capacity in order that it may be awarded on a first-come, first-served basis at a mutually agreed upon rate.

#### 8.15 CSI Electronic Contracting Procedures

Where supported by CSI, Shipper may request and contract for service from Southern Star electronically. To contract for service electronically, a Shipper must execute a "CSI Electronic Contracting Agreement" and designate users thereunder with authority to request and enter into agreements with Southern Star. The use of an authorized login and password on any electronic contracting transaction screen on CSI will be deemed to be the party's consent to be bound by the electronic transaction(s) conducted on such screens.

8. OPERATING CONDITIONS FOR TRANSPORTATION SERVICE (Cont'd)

8.16 Administrative Contracts

Solely for ease of administration, Southern Star may at a Shipper's request combine all or a portion of a Shipper's service agreements into an administrative contract to simplify nominations and use of the service agreements. Use of an administrative contract shall not in any way affect a Shipper's substantive rights under its service agreements, but shall simply be an administrative convenience for the parties. For service agreements to be combined into an administrative contract, such agreements must be under the same rate schedule, in the same rate area or zone, and at the same rate. Replacement contracts are obtained pursuant to Section 11. Firm Capacity Reassignment may not be combined into an administrative contract.

## 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

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

#### 9.1 Nomination Procedures (Cont'd)

- (d) Ranking will be included in the list of data elements. Southern Star will use service requester provided rankings when making reductions during the scheduling process when this does not conflict with tariff-based rules.
- (e) Southern Star (TSP) will support the following standard nomination cycles (all times are CCT pursuant to NAESB Standard No. 0.3.17):

- (1) The Timely Nomination Cycle:

On the day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Service Requester (SR);
- 1:15 p.m. Nominations are received by the TSP (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. TSP sends the Quick Response to the SR;
- 4:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 5:00 p.m. SR and Point Operator receive scheduled quantities from the TSP.

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

- (2) The Evening Nomination Cycle:

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the SR;
- 6:15 p.m. Nominations are received by the TSP (including from TTTSPs);
- 6:30 p.m. TSP sends the Quick Response to the SR;
- 8:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 9:00 p.m. TSP provides scheduled quantities to the affected SR and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations should be effective at the start of the next Gas Day.

## GENERAL TERMS AND CONDITIONS

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

#### 9.1 Nomination Procedures (Cont'd)

##### (3) The Intraday 1 Nomination Cycle:

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the SR;
- 10:15 a.m. Nominations are received by the TSP  
(including from TTTSPs);
- 10:30 a.m. TSP sends the Quick Response to the SR;
- 12:30 p.m. TSP receives completed confirmations from  
Confirming Parties;
- 1:00 p.m. TSP provides scheduled quantities to the  
affected SR and Point Operator, including  
bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should  
be effective at 2:00 p.m. on the current Gas Day.

##### (4) The Intraday 2 Nomination Cycle:

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the SR;
- 2:45 p.m. Nominations are received by the TSP  
(including from TTTSPs);
- 3:00 p.m. TSP sends the Quick Response to the SR;
- 5:00 p.m. TSP receives completed confirmations from  
Confirming Parties;
- 5:30 p.m. TSP provides scheduled quantities to the  
affected SR and Point Operator, including  
bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should  
be effective at 6:00 p.m. on the current Gas Day.

## GENERAL TERMS AND CONDITIONS

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

#### 9.1 Nomination Procedures (Cont'd)

##### (5) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the SR;
- 7:15 p.m. Nominations are received by the TSP (including from TTTSPs);
- 7:30 p.m. TSP sends the Quick Response to the SR;
- 9:30 p.m. TSP receives completed confirmations from Confirming Parties;
- 10:00 p.m. TSP provides scheduled quantities to the affected SR and Point Operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- ##### (6) For purposes of Section 9.1(e)(2), (3), (4), and (5), the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

## GENERAL TERMS AND CONDITIONS

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

#### 9.1 Nomination Procedures (Cont'd)

- (7) The sending party must adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadline. Nominations received after the nomination deadline will be scheduled after the nominations received before the nomination deadline.
- (8) In addition to notification through the scheduled quantities statement, direct notice of bumping of interruptible Shippers will be issued by email and/or telephone and shall also be posted on Southern Star's CSI. Interruptible Shippers will also be notified as to whether penalties will apply on the day of the bump. Non-critical penalties will be waived for bumped Shippers on the day of the bump.
- (f) The receiver of the nomination initiates the confirmation process. The party that would receive a Request for Confirmation or an unsolicited Confirmation Response may waive the obligation of the sender to send.
- (g) The level of information required to define a nomination for communications purposes is a line item containing all defined components.
- (h) A package ID is a way to differentiate between discrete business transactions. Use of package ID is at the discretion of the service requester, and if sent, will be accepted and processed by Southern Star. When used, package ID will be: a) supported for nominating and scheduling; b) mutually agreed between parties for allocations and imbalance reporting; c) supported for invoicing (sales and purchase); and d) mutually agreed for transport invoicing.
- (i) Southern Star posts the nominations of all Shippers and Point Operators on its system on its publicly available CSI. As stated in NAESB Standards 1.3.20 and 1.3.22, the failure of a Shipper or Point Operator to change or confirm its nominations has the same effect as if the nominations were confirmed as to the lesser of the previously scheduled quantities or the new nominations as posted on the CSI.

## GENERAL TERMS AND CONDITIONS

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

#### 9.2 Intraday Nominations

- (a) An intraday nomination is a nomination submitted after the nomination deadline, whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day. Intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. Intraday nominations do not roll over (i.e., intraday nominations span one Gas Day only). Intraday nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if an intraday nomination modifies an existing nomination.
- (b) All nominations, including intraday nominations, will be based on a daily quantity; thus an intraday nominator need not submit an hourly nomination. Intraday nominations must include an effective date and time. The interconnected parties must agree on the hourly flows of the intraday nomination, if not otherwise addressed in Southern Star's service agreement or tariff.
- (c) Intraday nominations may be used to nominate new supply or market.
- (d) Intraday nominations cannot cause an agreement to exceed its MDTQ.

## GENERAL TERMS AND CONDITIONS

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

#### 9.3 Segmentation

- (a) Subject to the restrictions in this section 9.3, Shippers may segment their capacity by (1) releasing capacity to another replacement shipper pursuant to Section 11, or (2) by nominating receipts and deliveries within their contract path.
- (b) Shippers whose primary receipt points and primary delivery points are on the same line segment may segment their capacity on the following Production Area line segments:
  - (1) Line segment 490 (Rawlins-Hesston line) between delivery point 000166-490 and all upstream physical receipt points;
  - (2) Line segment 130 (Kansas-Hugoton line) between delivery point 000100-130 and all upstream physical receipt points;
  - (3) Line segment 315 (Straight-Blackwell line) between delivery point 180311-315 and all upstream physical receipt points;
  - (4) Line segment 458 (Canadian-Blackwell line) between delivery point 753701-458 and all upstream physical receipt points.
- (c) Shippers whose primary receipt point(s) on the line segments listed in Section 9.3(b) and whose primary delivery point is 999000-909 (Production/Market Interface) may segment their capacity between the Production/Market Interface and upstream physical receipt points subject to the following conditions:
  - (1) Shippers must change their primary delivery point from 999000-909 to the following delivery point(s):
    - (i) The Rawlins-Hesston Production/Market Interface delivery point 999001-490;
    - (ii) The Kansas-Hugoton Production/Market Interface delivery point 999002-130;
    - (iii) The Straight-Blackwell Production/Market Interface delivery point 999003-315;
    - (iv) The Canadian-Blackwell Production/Market Interface delivery point 999004-458.

## GENERAL TERMS AND CONDITIONS

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

#### 9.3 Segmentation (Cont'd)

- (2) Shippers' MDQs assigned to the delivery point(s) listed in Section 9.3(c)(1) may not exceed the sum of the primary receipt point MDQs on the corresponding line segment.
- (d) Shippers may use segmented capacity for forwardhauls and/or backhauls; provided, however, that the actual capacity being utilized does not exceed their contractual capacity on any portion of that line segment.
- (e) Shippers using segmented capacity for backhauls may not use the Production/Market Interfaces as a receipt point for backhaul transactions.
- (f) Shippers utilizing segmented capacity on any line segment listed in Section 9.3(b) will not have the right to use secondary receipt points or secondary delivery points on any other line segment.
- (g) Shippers utilizing segmented capacity will not be allowed to nominate receipts from a pooling point.
- (h) Shippers utilizing segmented capacity will not be allowed to use Southern Star's storage as a receipt point or a delivery point.
- (i) Shippers utilizing segmented capacity will not be allowed to use segmented capacity in any manner which would result in the Shipper exceeding its contractual capacity on any portion of that line segment.
- (j) Shippers utilizing segmented capacity may change primary receipt or delivery points to other receipt or delivery points located within their segmented contract path pursuant to Section 4.2.

## GENERAL TERMS AND CONDITIONS

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

#### 9.4 Scheduling

##### (a) For transmission specific receipt and delivery points

Receipts - Southern Star shall schedule gas at receipt points on its transmission system in the following order:

First, firm Shippers using primary receipt capacity up to the MDTQ of the service agreement,

Second, firm Shippers using secondary receipt capacity up to the MDTQ of their primary capacity on the same line segment but downstream of their primary receipt point,

Third, firm Shippers using secondary receipt capacity up to the MDTQ of the service agreement,

Fourth, ITS and AOS Shippers based on rate paid, from highest to lowest. ITS and AOS Shippers, whose gas is already flowing at a discounted rate, may state, in advance, that they are willing to pay the maximum rate to retain service in the event Southern Star receives a higher bid,

Fifth, Park & Loan Shippers based on rate paid, from highest to lowest,

Sixth, Shippers nominating imbalance make-up.



## GENERAL TERMS AND CONDITIONS

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

#### 9.4 Scheduling (Cont'd)

Deliveries - Southern Star shall schedule gas at delivery points on its transmission system in the following order:

First, firm Shippers using primary delivery points up to the MDTQ of the service agreement,

Second, firm Shippers using secondary delivery points up to the MDTQ of their primary delivery point on the same line segment but upstream of their primary delivery point,

Third, firm Shippers using secondary delivery points up to the MDTQ of the service agreement,

Fourth, ITS and AOS Shippers based on rate paid, from highest to lowest. ITS and AOS Shippers, whose gas is already flowing at a discounted rate, may state, in advance, that they are willing to pay the maximum rate to retain service in the event Southern Star receives a higher bid,

Fifth, Park & Loan Shippers based on rate paid, from highest to lowest,

Sixth, Shippers nominating imbalance make-up.

## GENERAL TERMS AND CONDITIONS

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

#### 9.4 Scheduling (Cont'd)

- (b) For transmission pipeline segments with constraint points causing capacity reductions

Receipts - Southern Star shall schedule gas through constraint points on its transmission system in the following order:

First, firm Shippers having firm capacity through the constraint point (i.e., firm shippers having primary receipt capacity upstream of the constraint location up to the sum of the primary receipt MDQs of the service agreement which are upstream of the constraint point less any primary delivery MDQs upstream of the constraint location),

Second, firm Shippers using secondary receipt capacity up to the MDTQ of the service agreement,

Third, ITS and AOS Shippers based on rate paid, from highest to lowest. ITS and AOS Shippers, whose gas is already flowing at a discounted rate, may state, in advance, that they are willing to pay the maximum rate to retain service in the event Southern Star receives a higher bid,

Fourth, Park & Loan Shippers based on rate paid, from highest to lowest,

Fifth, Shippers nominating imbalance make-up.

## GENERAL TERMS AND CONDITIONS

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

#### 9.4 Scheduling (Cont'd)

Deliveries - Southern Star shall schedule gas through constraint points on its transmission system in the following order:

First, firm Shippers having firm capacity through the constraint point (i.e., firm shippers having primary delivery capacity downstream of the constraint location up to the sum of the primary delivery MDQs of the service agreement which are downstream of the constraint point less any primary receipt MDQs downstream of the constraint location),

Second, firm Shippers using secondary delivery points up to the MDTQ of the service agreement,

Third, ITS and AOS Shippers based on rate paid, from highest to lowest. ITS and AOS Shippers, whose gas is already flowing at a discounted rate, may state, in advance, that they are willing to pay the maximum rate to retain service in the event Southern Star receives a higher bid,

Fourth, Park & Loan Shippers based on rate paid, from highest to lowest,

Fifth, Shippers nominating imbalance make-up.

#### (c) For storage constraints

Injections and withdrawals - Southern Star shall schedule storage injections and withdrawals in the following order:

First, firm Shippers up to their contract's MDIQ or MDWQ,

Second, ISS, IS1, and AOS Shippers based on rate paid up to the ISS maximum recourse rate.

## GENERAL TERMS AND CONDITIONS

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

#### 9.4 Scheduling (Cont'd)

- (d) If Southern Star does not have sufficient capacity in any portion of its system to schedule all firm quantities nominated, Shipper provided rankings will be used when making reductions, as noted in Section 9.1(d) above. If no rankings are provided, nominations with equal priority of service will be allocated capacity on a pro rata basis.
  
- (e) Quantities will not be scheduled at receipt points or delivery points unless confirmed by the Delivering Party or Receiving Party controlling the facilities.

## GENERAL TERMS AND CONDITIONS

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

#### 9.5 Capacity Curtailment

When unexpected capacity limitations cause Southern Star to be unable to deliver the services already scheduled, the physical capacity in the affected area which Southern Star determines is available will be allocated among its customers as follows:

First, to firm Shippers pro-rata, based on MDTQs in the affected area (Production or Market).

Second, to interruptible Shippers, including AOS under firm rate schedules, based on rate paid from highest to lowest. Deliveries at the same rate shall be curtailed pro-rata. Interruptible Shippers may state, in advance, that they are willing to pay the maximum rate to avoid or minimize curtailment.

Southern Star shall provide prompt notification to all Shippers when it imposes capacity curtailment. Such notice shall state the reasons for the curtailment and Southern Star's estimate of the length of the curtailment period. Southern Star shall provide the notice by email and/or telephone and shall post such notice on CSI.

## GENERAL TERMS AND CONDITIONS

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

#### 9.6 Emergency Situations

An emergency situation shall include, but shall not be limited to, a drop in delivery pressure to one or more Shippers which jeopardizes service to such Shipper(s), storage withdrawals exceeding or being expected to exceed total firm contractual withdrawal quantities for any gas day, equipment failure resulting in reduced delivery capacity on one or more segments on Southern Star's system or capacity curtailment.

Southern Star encourages parties to enter into voluntary agreements under which gas may be diverted from one Shipper to another in emergency situations. Southern Star will not provide emergency gas supplies, divert gas supplies, compensate parties whose gas may be diverted or bill parties who may receive gas diverted from others absent a written agreement with the affected parties. Southern Star shall not be liable for damages to any party adversely affected as a result of this Section 9.6.

In the event of an emergency situation, Southern Star will provide assistance to any Shipper on its system who desires to obtain additional gas or capacity, or to provide gas or capacity. Such assistance may include posting of data on CSI regarding emergency gas supplies available, requests to purchase emergency gas supplies, firm capacity available for emergency use and firm capacity needed for emergency use. Southern Star will also provide any other relevant information which it has available regarding measurement, flow data and pressures as requested by affected Shippers.

## GENERAL TERMS AND CONDITIONS

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

#### 9.7 Resolution of Monthly Imbalances

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

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

- (a) All transportation agreements with each Shipper within the same area (Production/Market) will be combined for purposes of determining whether a net monthly imbalance exists. If a Shipper utilizes more than one agreement to transport the same gas sequentially within the same area, Southern Star will utilize original receipts and ultimate deliveries for purposes of determining the monthly imbalance. An imbalance statement shall be generated for each Shipper at the same time or prior to the generation of the transportation invoice, which will state their level of imbalance for the preceding calendar month. Shippers may elect to resolve their imbalances by the end of the calendar month following the month in which the imbalance occurs by any of the following means:
  - (i) imbalance trading among Shippers in the same area,
  - (ii) treating the imbalance as if it had been injected into or withdrawn from the Shipper's storage account to the extent Shipper has storage capacity available or Shipper's storage inventory is sufficient to cover the imbalance (applies only to those Shippers who also have storage agreements with Southern Star),

## GENERAL TERMS AND CONDITIONS

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

#### 9.7 Resolution of Monthly Imbalances (Cont'd)

- (iii) adjusting nominations for the remainder of the current month, or
- (iv) cashing out imbalances in excess of the tolerance level, as defined in (c) below, at 100% of the index price applicable to Southern Star as published in the first issue of Platts Gas Daily Price Guide for the month in which the imbalance occurred. If Platts Gas Daily Price Guide does not publish an index price for Southern Star, then the index price shall be the average of the first of the month index prices as published in the first issue of Platts Gas Daily Price Guide applicable to those pipelines categorized as Oklahoma region pipelines in Platts Gas Daily.
- (b) To assist Shippers in trading imbalances, Southern Star posts on its Informational Postings Web site the Posted Imbalance Quantity available to be traded for any Shipper or OBA Operator who has authorized Southern Star to post such information, and instructions for how to complete such trades, consistent with the applicable NAESB business standards.
- (c) Net monthly imbalances which are not resolved by the end of the month following the month in which the imbalance occurred and which exceed the greater of (1) 1,000 Dth, or (2) plus or minus 5% of actual deliveries to the Shipper shall be cashed-out according to the schedule set forth in (i) and (ii) below. Spot price refers to the index price as defined in (a)(iv) above.
  - (i) Receipts in excess of deliveries shall be purchased by Southern Star from the Shipper at the following prices:

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



## GENERAL TERMS AND CONDITIONS

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

#### 9.7 Resolution of Monthly Imbalances (Cont'd)

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

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

- (d) During each twelve-month period beginning on October 1, if net revenue (sales revenue less purchase costs) received from operation of paragraph (c) is greater than \$2 million, Southern Star shall refund such balance plus carrying costs. If the net revenue balance is between \$0 and \$2 million at the end of such twelve-month period, Southern Star may elect to: (1) carry forward the net revenue balance, with carrying costs, or (2) refund the net revenue balance plus carrying costs at its discretion at any point during the current or subsequent twelve-month period(s). If Southern Star incurs a net cost during such twelve-month period, the amount will be deferred and offset against revenue received in the next twelve-month period. Carrying costs shall be calculated on the net balance each month (either net revenue or net cost) utilizing the rate set forth in Section 154.501 of the Commission's regulations. Southern Star will file a report and, if necessary (net revenue balance greater than \$2 million as of September 30), a refund plan no later than December 1 of each year of net cash-out activity for the twelve months ended September 30 of that year. If Southern Star elects to refund its net revenue balance plus carrying costs as of a date in time not yet covered in its report of annual cash-out activity to the Commission, Southern Star will file an updated report and a refund plan with the Commission prior to issuing refunds. Southern Star shall refund all Shippers on a pro-rata basis based on quantity delivered under rate schedules applicable to this Section 9.7 to each applicable Shipper during the most recent twelve-month period for which data is available at the time that a report and refund plan are filed, and will make refunds to Shippers with refund amounts greater than \$100 within 60 days of filing

## GENERAL TERMS AND CONDITIONS

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

#### 9.7 Resolution of Monthly Imbalances (Cont'd)

the report. All refunds will be first applied to Shippers' past due balances. To reduce the administrative burden associated with checks for *de minimis* amounts, the total of remaining refund amounts of \$100 or less will be distributed evenly between the Low Income Home Energy Assistance Programs (LIHEAPs) in Kansas and Missouri.

- (e) In the event a monthly imbalance exceeding the tolerance set forth in Section 9.7(c) results directly from (1) compliance with an operational flow order issued by Southern Star pursuant to Section 10, (2) inaccurate information provided by Southern Star, or (3) a force majeure event, such Shipper shall be allowed an additional month to resolve such imbalances.
- (f) No imbalance penalty will be imposed when a prior period adjustment applied to the current period causes or increases a current month penalty.

## GENERAL TERMS AND CONDITIONS

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

#### 9.7 Resolution of Monthly Imbalances (Cont'd)

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

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

#### 9.8 Imbalances with Inactive Shippers

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

## GENERAL TERMS AND CONDITIONS

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

#### 9.9 Imbalances at Termination of Agreement

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

## GENERAL TERMS AND CONDITIONS

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

#### 9.10 Suspense Gas

Southern Star will notify Point Operators by approximately the 15<sup>th</sup> of each month of their level of suspense gas for the preceding calendar month. Southern Star will post on CSI by approximately the 15<sup>th</sup> of each month quantities of suspense gas in the preceding month which cannot be attributed to any party. Any Point Operator who delivers unscheduled natural gas onto Southern Star's transmission system will be given sixty (60) days from the date Southern Star provides notice to the Point Operator that such gas has been received, to deliver it off the system or schedule it for delivery, or it will become the property of Southern Star at the end of the 60-day period. If the party who delivered such gas unto Southern Star's system is not known, the gas will become the property of Southern Star sixty (60) days after it was received by Southern Star. Any Point Operator who receives unscheduled natural gas from Southern Star's transmission system will be given sixty (60) days from the date Southern Star provides notice to the Point Operator that such gas has been delivered, to tell Southern Star what agreement the delivery should be allocated to, or the Point Operator will be charged 150% of the spot market price for the month in which the delivery (including associated fuel) was made, as defined in Section 9.9, plus the maximum ITS rate for both the Production and Market Areas, grossed up for fuel, for gas delivered in the Market Area, or the maximum ITS rate for the Production Area, grossed up for fuel, for gas delivered in the Production Area. To the extent any Point Operator is assessed a penalty for Overdeliveries under Section 10.4, such Overdeliveries will be excluded from the charges for suspense gas deliveries provided in the preceding sentence.

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS

#### 10.1 General

Southern Star may issue Operational Flow Orders (OFOs) to Shippers under Rate Schedules ITS, ISS, TSS, FSS, STS, FTS, FS1 and IS1, or to Point Operators as described in this Section 10 as it deems necessary to protect the integrity of its system or any portion thereof; provided, however, that OFOs will only be issued to Point Operators who have actual operational control of the receipt or delivery point. Southern Star's actions with respect to OFOs are to be reasonable, objective, and non-discriminatory. No Shipper or Point Operator that is subject to an OFO shall be required to exceed its contractual rights or obligations under its agreement with Southern Star. Southern Star shall not be liable for any resulting damages, costs, or expenses incurred as a result of such OFO unless such damages, costs, or expenses result from negligence or willful misconduct by Southern Star. The types of OFOs described below are illustrative and are not intended to be all-inclusive. If any Shipper or Point Operator does not follow the operational orders issued hereunder, such Shipper or Point Operator, in addition to all other remedies, shall be liable for any resulting damages, costs, or expenses and will indemnify Southern Star for any such damages, costs, and expenses to Southern Star or any other party. Except for reason of force majeure, Southern Star will provide a reservation charge and surcharge credit for reduced deliveries that result from the issuance of an OFO.

OFOs will be issued by 12 noon CCT. The OFO will be effective the second gas day after issuance, in accordance with the Section 9 nomination and scheduling provisions, unless otherwise provided in the order. Southern Star may make OFOs effective with a shorter or longer notice if necessary to protect the integrity of its system. Nomination changes required by an OFO must be made in accordance with Section 9.1(c) and (d).

Each Shipper and Point Operator shall designate one or more persons for Southern Star to contact on operational matters on a 24-hour a day, 365 days a year basis. Email or internet URL addresses and telephone numbers must be provided for such person or persons. If Southern Star is unable to contact any Shipper or Point Operator because that Shipper's or Point Operator's contact person(s) is unavailable, such Shipper or Point Operator shall be solely responsible for any consequences arising from such failure of communications.

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.1 General (Cont'd)

OFOs shall be issued by email or direct notification to the customer's URL address and shall also be posted on Southern Star's CSI. In the event of known failure of the email or internet notification, such affected customer(s) shall be notified by telephone. Notice of such OFO shall specify the nature of the problem sought to be addressed, the anticipated duration of the required compliance, and the parameters of such compliance. Southern Star will issue general, system-wide OFOs only after Southern Star determines that it is not possible for it to issue an OFO on a specific portion of the system.

Before issuing an OFO, Southern Star will attempt to identify specific customers causing operational conditions that may threaten the integrity of Southern Star's pipeline system, and attempt to remedy those operational problems through requests for voluntary action provided, however, exigent circumstances may exist which require immediate issuance of an OFO. Upon termination of an OFO, Southern Star will post on CSI all relevant information specific to the individual situation to justify the issuance and lifting of that particular OFO.

Conditions which threaten integrity shall include, but are not limited to, exceeding the Maximum Allowable Operating Pressure of a line segment, loss of sufficient line pressure to meet delivery obligations, or any other condition which may affect Southern Star's ability to provide contracted levels of firm service. Southern Star shall be entitled to issue two types of OFOs: a Standard Operational Flow Order ("Standard OFO") and an Emergency Response Operational Flow Order ("Emergency OFO"). A Standard Operational Flow Order shall consist of pre-emptive or preventive actions or measures that neutralize or reduce threats to, or otherwise preserve, as reasonably deemed necessary by Southern Star in its sole discretion, the integrity of all or a portion of its system. An Emergency Response Operational Flow Order shall consist of actions or measures required by Southern Star that neutralize or reduce threats to, or otherwise preserve, the integrity of all or a portion of its system which requires immediate response as reasonably deemed necessary by Southern Star in its sole discretion. Southern Star shall specify in the OFO notice which type of OFO it is issuing.

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.2 Types of Operational Flow Orders

##### (a) Storage injections and withdrawals

Southern Star may direct Shippers under Rate Schedules TSS and STS or Point Operators to increase or decrease receipt of flowing gas in the event storage injections or withdrawals, respectively, exceed or fall below guidelines established in Rate Schedule FSS.

Southern Star may direct Shippers under Rate Schedules TSS and STS or Point Operators to increase receipts of flowing gas in the event total storage withdrawal levels are expected to exceed the MDWQ for those services.

Southern Star may direct Shippers under Rate Schedules TSS, STS, ITS, ISS, FSS, FS1, IS1, SFT and FTS or Point Operators to decrease receipts of flowing gas in the event Southern Star does not have sufficient storage injection capacity



## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.2 Types of Operational Flow Orders (Cont'd)

to receive and inject gas tendered or projected to be tendered to Southern Star for storage or to maintain supply/demand balance on its system.

(b) System maintenance

Southern Star may direct Shippers under Rate Schedules TSS, STS, ITS, ISS, FSS, FS1, IS1, and FTS or Point Operators to increase or decrease receipts of flowing gas in specified line segments in order to accommodate required maintenance, either scheduled or unscheduled.

(c) Specific line segments

Southern Star may direct Shippers under Rate Schedules TSS, STS, FSS, FS1, IS1, ISS, ITS and FTS or Point Operators to increase or decrease receipts of flowing gas in order to maximize available compressor station horsepower on high demand days, maximize system capacity, maintain proper receipt distribution on its system, or mitigate high system pressures.

(d) Peak hour deliveries

Notwithstanding any other provision of these General Terms and Conditions, Southern Star may direct Shippers under Rate Schedules TSS, FTS, FSS, FS1, IS1, ISS, ITS and STS or Point Operators to decrease peak hour deliveries in the event delivery pressure at one or more delivery points drops below, or is expected to drop below, the pressure necessary to satisfy peak hour demands. Any such order could be issued at any time to become effective three hours after such issuance, unless Southern Star in good faith determines that a shorter notice period is required.

(e) Voluntary arrangements

Southern Star may also activate any pre-arranged voluntary arrangements under which gas is diverted from one Shipper to another.

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.2 Types of Operational Flow Orders (Cont'd)

- (f) Southern Star may direct shipper under Rate Schedules TSS, STS, FSS, ISS, FS1, IS1, ITS and FTS or Point Operators to increase receipts of flowing gas to maintain a North/South system balance between the Northern and Southern portions of Southern Star's system.
- (g) Southern Star may issue any other OFO it deems necessary to protect the integrity of its system. On any occasion when Southern Star issues an OFO under this subsection, Southern Star will send to the Commission a detailed description of the situation which necessitated the issuance of that particular OFO.

#### 10.3 Failure to Comply with Operational Flow Orders

If Shipper or Point Operator fails to comply with the terms of an OFO for reasons other than Southern Star's negligence, misconduct, or inaccurate information provided by Southern Star, such Shipper or Point Operator shall be assessed a penalty as set forth below. For Emergency OFOs, the penalty for failure to comply with the terms of an OFO shall be - the greater of \$10.00 or 5 times the Platts Gas Daily Price Guide index price for Southern Star ("Emergency OFO Penalty Price") for each day of noncompliance while the OFO is in effect for each Dth by which Shipper deviated from the requirements of the OFO. For Standard OFOs, the penalty for failure to comply with the terms of an OFO shall be - the greater of \$5.00 or 2.5 times the Platts Gas Daily Price Guide index price for Southern Star ("Standard OFO Penalty Price") for each day of noncompliance while the OFO is in effect for each Dth by which Shipper deviated from the requirements of the OFO. The quantity of gas subject to OFO penalties shall be determined pursuant to Section 10.4.

Southern Star will not double charge an OFO penalty to the same party for the same violation. If the Point Operator does not have a transportation service agreement with Southern Star, the nomination Confirmation shall serve as a contract between Southern Star and the Point Operator for purposes of this Section 10.

Payments received by Southern Star for OFO penalties, net of actual costs incurred to issue and/or enforce OFO(s) and to enforce and/or collect penalties assessed pursuant to the OFO(s) ("Net OFO Penalty Revenues"), shall be credited to Shippers and Point Operators pursuant to Section 10.4(c) and (g).

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.3 Failure to Comply with Operational Flow Orders (Cont'd)

Southern Star will file a report and a refund plan no later than December 1 of each year for Net OFO Penalty Revenues for the 12 months ended September 30 of that year resulting from penalties assessed pursuant to this Section 10. Southern Star will make refunds to Shippers and/or Point Operators with refund amounts greater than \$100 within 60 days of filing the report. All refunds will be first applied to Shippers' and/or Point Operators' past due balances. To reduce the administrative burden associated with checks for *de minimis* amounts, the total of remaining refund amounts of \$100 or less will be distributed evenly between the Low Income Home Energy Assistance Programs (LIHEAPs) in Kansas and Missouri.

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.3 Failure to Comply with Operational Flow Orders (Cont'd)

Shippers and Point Operators will be exempt from imbalance penalties associated with OFO compliance and will have an additional 30 days to correct OFO related imbalances.

#### 10.4 Unauthorized Overdeliveries, Under Receipts, and Penalties

- (a) Overdeliveries - During any OFO period, if any Receiving Party takes a quantity of gas from any Delivery Point where at least 97% of volumes are measured by electronic flow measurement equipment (EFM) in excess of the quantity authorized (the quantity authorized is equal to the quantity scheduled by Southern Star and confirmed by the Receiving Party for the account of all Shippers delivering gas at that location plus the MDQ(s) for that Delivery Point under Rate Schedules TSS and STS which are not subject to capacity release), such excess quantities taken shall be considered Unauthorized Overdeliveries and shall be subject to OFO penalties as provided in (d) below. Actual quantity taken shall be determined by reference to recorded EFM data. Penalties will be levied by Southern Star against the Receiving Party who controls the facilities into which gas is delivered. If the Receiving Party does not have a transportation service agreement with Southern Star, the nomination Confirmation shall serve as a contract between Southern Star and the Receiving Party for purposes of paragraph (d) below.
- (b) Under Receipts - During any OFO period, if any Delivering Party delivers a quantity of gas into Southern Star's system at any Receipt Point, where at least 97% of volumes are measured by electronic flow measurement equipment (EFM), less than the nominations confirmed at such receipt point by such Delivering Party, the difference between the confirmed nomination and the actual quantity delivered shall be considered Unauthorized Under Receipts and shall be subject to OFO penalties as provided in (d) below. Actual quantity delivered shall be determined by reference to recorded EFM data. Penalties will be levied by Southern Star against the Delivering Party who controls the facilities from which gas is delivered. If the Delivering Party does not have a transportation service agreement with Southern Star, the nomination Confirmation shall serve as a contract between Southern Star and the Delivering Party for purposes of paragraph (d) below.

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.4 Unauthorized Overdeliveries, Under Receipts, and Penalties (Cont'd)

- (c) On any day during an OFO period, a Shipper under Rate Schedule(s) TSS, STS, FTS, FSS, and/or FS1 may be subjected to OFO penalties by (1) exceeding any of the Production Area or Market Area MSQs, MDTQs, MDIQs, or MDWQs, reduced if necessary to reflect such items as capacity release, or (2) depleting its available gas in storage. Any volumes taken in excess of the Production Area or Market Area MDTQs, MDIQs, or MDWQs, or any volumes stored in excess of their MSQ, shall be considered Unauthorized Capacity Overrun and shall be subject to the Standard OFO Penalty Price for standard OFO periods and the Emergency OFO Penalty Price for emergency OFO periods; provided, however, that a 3% tolerance in excess of MDTQ shall be permitted. For any Receiving Party who is also a Shipper under this paragraph, any quantities taken in excess of MDQ at any delivery point will be credited to any quantities taken in excess of that party's MDTQ in total during the same day. Net OFO Penalty Revenues resulting from MSQ, MDTQ, MDIQ, or MDWQ Unauthorized Capacity Overruns will be credited to those Shippers who did not incur Unauthorized Capacity Overrun penalties on that day. Net OFO Penalty Revenues associated with MDTQ overruns will be credited to Shippers who did not overrun their MDTQ on the same respective day and Net OFO Penalty Revenues associated with MDWQ, MDIQ, or MSQ overruns will be credited to Shippers who did not overrun their MDWQ, MDIQ, or MSQ on the same respective day. Credits will be pro rata based on MSQ, MDTQ, MDIQ, and MDWQ, respectively. Payment of a penalty under this paragraph shall not entitle Shipper to any future increased MSQ, MDTQ, MDIQ, or MDWQ.

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.4 Unauthorized Overdeliveries, Under Receipts, and Penalties (Cont'd)

Storage withdrawals made after a Shipper's storage account(s) is/are depleted shall be subject to OFO penalties equal to:

- (i) for standard OFO periods, the Standard OFO Penalty Price for each day of noncompliance while the OFO is in effect for each Dth of storage withdrawal;
- (ii) for emergency OFO periods, the Emergency OFO Penalty Price for each day of noncompliance while the OFO is in effect for each Dth of storage withdrawal.

Daily Net OFO Penalty Revenues related to storage depletion will be credited to those Shippers whose storage account was not depleted on that day.

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.4 Unauthorized Overdeliveries, Under Receipts, and Penalties (Cont'd)

- (d) For deliveries taken by any Receiving Party that are greater than 103% of the sum of confirmed delivery nominations plus the TSS/STS MDQ (Overdeliveries), or for receipts delivered by any Delivering Party that are less than 95% of confirmed receipt nominations (Under Receipts), on any day during an OFO period, said Receiving or Delivering Party shall pay to Southern Star a penalty for each Dth of Overdeliveries or Under Receipts as follows:
  - (i) for standard OFO periods, the Standard OFO Penalty Price for each day of noncompliance while the OFO is in effect for each Dth of Overdeliveries or Under Receipts;
  - (ii) for emergency OFO periods, the Emergency OFO Penalty Price for each day of noncompliance while the OFO is in effect for each Dth of Overdeliveries or Under Receipts.
- (e) For each Point Operator, Southern Star will aggregate receipts and deliveries which are on the same line segment and which are otherwise subject to this Section 10.4 for purposes of determining OFO penalties. Each receipt or delivery point is associated with a particular line segment on Southern Star's Master Receipt and Delivery Point Lists.
- (f) Southern Star shall have the right on a non-discriminatory basis to restrict the hourly takes of gas by Receiving Parties during system-wide OFO periods to 1/16 times the sum of confirmed delivery nominations plus the TSS/STS MDQ at any delivery point.

## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.4 Unauthorized Overdeliveries, Under Receipts, and Penalties (Cont'd)

- (g) Net OFO Penalty Revenues received by Southern Star for OFO penalties associated with Unauthorized Under Receipts shall be credited back to receipt point operators at points equipped with electronic flow measurement who did not incur any Under Receipts at such points during the OFO period for which penalties were received. Net OFO Penalty Revenues received by Southern Star for OFO penalties associated with Unauthorized Overdeliveries shall be credited back to delivery Point Operators at points equipped with electronic flow measurement who did not incur any Overdeliveries at such point during the OFO period for which penalties were received. Such credits shall be allocated based on each operator's pro rata share of the total receipt or delivery point measured volumes at these points for the OFO period in which penalties were incurred.
- (h) The payment of an OFO penalty shall not under any circumstances be considered as a substitute for any other remedies available to Southern Star against the offending Delivering or Receiving Party, including, but not limited to, suspension or reduction of deliveries until Overdeliveries or Under Receipts are made up.
- (i) Due to the unusual nature of OFO penalty invoices, Shipper shall have 30 days to review and make payment from the date the invoice is rendered (as defined in Section 18 – Billing & Payments). If the invoice is in dispute, Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute. Interest will accrue pursuant to Section 18 if payment is not received by the due date.
- (j) The OFO penalties set forth in Sections 10.3 and 10.4 are intended to promote conscientious operations by Shippers and Point Operators such that service to other Shippers is not impaired in any way. Southern Star may waive any penalties incurred by any Shipper or Point Operator if Southern Star determines, in its sole discretion and reasonable judgment, that such Shipper(s) and/or Point Operator(s) conducted operations in a responsible manner at the time the penalties were incurred and did not impair service to another Shipper or threaten system integrity. Southern Star shall only exercise such discretion in a non-discriminatory manner, and the waiver of any OFO penalties shall not be construed as a waiver of any other existing or future OFO penalties.



## GENERAL TERMS AND CONDITIONS

### 10. OPERATIONAL FLOW ORDERS (Cont'd)

#### 10.5 Operational Performance Provisions

If Southern Star determines in the exercise of its reasonable judgment that sufficient supplies are not being received by Southern Star at the receipt point(s) for transportation to a Shipper, then upon two (2) hours' notice by Southern Star to Shipper and/or the Delivering Party, Southern Star may unilaterally reschedule, on a prospective basis only, the quantities nominated by a Shipper and/or confirmed by the Delivering Party so as to conform the scheduled quantities to the quantities being received at such receipt point(s), or temporarily suspend deliveries to the Shipper.

Likewise, if Southern Star determines in the exercise of its reasonable judgment that scheduled quantities are not being taken at the delivery point(s), then upon two (2) hours' notice by Southern Star to Shipper and/or the Receiving Party, Southern Star may, at its option, unilaterally reschedule, upon two (2) hours' notice by Southern Star to Shipper, on a prospective basis only, the quantities nominated by a Shipper and/or confirmed by the Receiving Party so as to conform the scheduled quantities to the quantities being taken at such delivery point(s), or temporarily suspend receipts of gas from the Shipper.

Such two (2) hours' notice shall not be applicable, and such rescheduled quantities may be effective immediately, in the event of operational distress. Operational distress includes any situation which prevents Southern Star from maintaining the integrity of pipeline operations or from operating in a safe and efficient manner consistent with applicable laws, rules, regulations, standard industry operating practices, and Southern Star's Tariff. Southern Star shall not unilaterally reschedule volumes without two (2) hours' notice unless such rescheduling is reasonably anticipated to reduce or eliminate said operational distress.

Upon request by Southern Star, Point Operator shall provide estimated hourly flows to Southern Star's Gas Control personnel.

Southern Star will only unilaterally reschedule shipper nominations or suspend deliveries or receipts pursuant to this Section 10.5 as necessary to avoid or remedy operational issues on its system. No penalty shall be imposed on a shipper or operator solely as a result of any unilateral action by Southern Star pursuant to an operational performance notice under this Section 10.5 to prospectively conform scheduled quantities being received or delivered or to temporarily suspend deliveries or receipts.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT

11.1 For purposes of this Section 11, the following definitions shall apply:

- (a) Primary Shipper - means any party who is an initial signatory to a Service Agreement for capacity which was not obtained pursuant to this Section 11 with Southern Star.
- (b) Subsequent Shipper - means any party that acquires firm capacity rights on Southern Star's system pursuant to Section 8.11.
- (c) Releasing Shipper - means any party releasing capacity under Rate Schedule TSS, FTS, FSS, and/or FS1, whether the party is the Primary Shipper of capacity or a Subsequent Shipper of capacity.
- (d) Replacement Shipper - means any party receiving the capacity being released.
- (e) Pre-arranged Shipper - means the party to receive the capacity assignment in a pre-arranged agreement.
- (f) Posting Period - means the period of time the notice of available capacity is posted on CSI before bids will be accepted.
- (g) Bidding Period - means period of time bids to purchase released capacity will be accepted. The Bidding Period will be stated in the posting.
- (h) Bid Evaluation and Notification - means the period of time for Southern Star to evaluate and determine the best bids, allocate capacity, and notify the best bidder, or the Pre-arranged Shipper under a right of first refusal, of the allocations.
- (i) Period to Match - means the period of time for the Pre-arranged Shipper to match the highest bid exceeding the Pre-arranged Deal.
- (j) Pre-arranged Agreement - means an agreement for release of capacity negotiated between the Releasing Shipper and the Pre-arranged Shipper.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

11.1 For purposes of this Section 11, the following definitions shall apply (Cont'd):

- (k) Elapsed Pro Rata Capacity - means 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.

#### 11.2 General

- (a) Any Shipper hereunder may permanently or temporarily reassign its capacity, in whole or in part, under Rate Schedules TSS, FTS, FSS and FS1 as provided in this Section 11 within the term of its underlying Service Agreement.
- (b) Capacity under Rate Schedule TSS may be reassigned as either a no-notice service, provided that all components are in the proportions provided below, or as the separate components (i.e., FTS-M, FTS-P or FSS). If the components of TSS service are separately reassigned, such components will be treated in the same manner as each of the individual services and are subject to all nomination procedures specified in Section 8. A Releasing Shipper under Rate Schedule TSS retains no-notice service only to the extent that the Releasing Shipper maintains the ratio of at least one-third of but no more than one-half of the total deliveries of gas from flowing gas supply sources and at least one-half of but no more than two-thirds of the total deliveries of gas from storage, utilizing the components not reassigned. Releases of FSS service must be in the ratio of one Dth of MDWQ to thirty-three Dth of MSQ.
- (c) A Primary Shipper may reassign capacity between primary receipt and primary delivery points specified in the executed service agreement or, for purposes of segmenting capacity pursuant to Section 9.3, may reassign capacity between primary and secondary points within their contract path. Primary Shippers, Replacement Shippers and any subsequent Releasing Shippers may change primary receipt or delivery points pursuant to Section 4.2. Secondary receipt and secondary delivery points and pooling points are available to a Replacement Shipper to the same extent that they are available to the Releasing Shipper pursuant to Section 4.2 and Section 9.3.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.2 General (Cont'd)

Except as provided in the preceding paragraph, a Replacement Shipper has the same receipt and delivery point flexibility rights and restrictions as the Primary Shipper and is subject to the same creditworthiness requirements. A Releasing Shipper may not impose additional creditworthiness requirements. The Replacement Shipper may only reassign the capacity under this Section 11.

- (d) The Primary Shipper, any Subsequent Shipper, and any Replacement Shipper remain liable to Southern Star for the reservation fee and any reservation fee surcharges under its service agreement and shall receive a credit for revenues received from the current Replacement Shipper as provided in Section 11.7 below. Releasing Shippers utilizing this procedure release Southern Star from any liability resulting from the breach by the Replacement Shipper(s) of any conditions or restrictions specified by the Releasing Shipper(s).

#### 11.3 Pre-arranged releases

- (a) Short-Term Releases (31 days or less): Southern Star will notice short-term pre-arranged deals for capacity through a posting on CSI. Such pre-arranged release of firm capacity must comply with the requirements of Section 11.4. Any such release may not be extended to the same Replacement Shipper within 28 days of the end of the first release, without being subject to the bidding requirements of Section 11.4, except as exempted under 18 CFR Section 284.8 for asset managers or a marketer participating in a state-regulated retail access program.
- (b) Long-Term Releases (more than 31 days): Southern Star will notice long-term pre-arranged deals for capacity through a posting on CSI. The Pre-arranged Shipper and parties who wish to bid for the capacity, must comply with the posting, bidding, and matching requirements of Section 11.4. However, pre-arranged releases for more than one year at the maximum rate shall be exempt from the bidding and matching requirements of Section 11.4.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure

- (a) Bids and Offers must be complete before being posted. Only posted Offers and Bids will be available electronically. Southern Star will post Offers and Bids, including pre-arranged deals, upon receipt. A Releasing Shipper may request a later posting time for posting of such Offer and Southern Star will support such request insofar as it comports with the standard capacity release timeline specified in NAESB WGQ Standard No. 5.3.2 and set forth below. The capacity release timeline applies to all parties involved in the capacity release process provided that: (1) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be credit worthy before the capacity release bid is tendered; (2) for index-based capacity release transactions, the Releasing Shipper has provided Southern Star with sufficient instructions to evaluate the corresponding bid(s) according to the timeline; and (3) there are no special terms or conditions of the release.

Further, Southern Star may complete the capacity release process on a different timeline if the Offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by Southern Star).

For biddable releases (1 year or less):

- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon.
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

For biddable releases (more than 1 year):

- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon.
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For non-biddable releases:

- The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2.  
The posting deadlines are:
  - Timely Cycle 12:00 Noon
  - Evening Cycle 5:00 p.m.
  - Intraday 1 Cycle 9:00 a.m.
  - Intraday 2 Cycle 1:30 p.m.
  - Intraday 3 Cycle 6:00 p.m.
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

Releasing Shipper cannot specify an extension of the original bid period or the pre-arranged deal match period without posting a new release.

The Releasing Shipper must specify the term, quantity, and minimum rate it is willing to accept, as well as whether the assignment is subject to recall. Reput methods and rights should be specified at the time of the deal. Reput methods and rights are individually negotiated between the Releasing Shipper and the Replacement Shipper. The Releasing Shipper may specify further objective and non-discriminatory conditions in its notice of release, such as (1) alternative economic criteria for evaluating bids; (2) whether bids using a one-part, volumetric rate will be accepted; (3) alternate methods for breaking ties; (4) whether contingent bids will be accepted and, if so, the method by which contingent bids will be evaluated; (5) whether a bid for a portion of the capacity offered will be accepted; and (6) other non-discriminatory conditions that the Releasing Shipper retaining recall rights may specify, such as whether it requires consent for subsequent releases of this released capacity by the Replacement Shipper. The following methodologies may be chosen by the Releasing Shipper to be used in determining the awards from the bid(s) submitted: (1) highest rate, (2) net revenue, (3) present value. For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

Another method of determining the awards may be specified by the Releasing Shipper; however, if another method is chosen, the transaction will be processed within two (2) business days or as soon as reasonably practicable, whichever is sooner. If a Releasing Shipper specifies its own procedures for evaluating bids, they shall be posted on Southern Star's CSI, objectively stated, and shall be applicable to all potential bidders on a non-discriminatory basis. The terms and conditions must not conflict with this FERC Gas Tariff, and Southern Star may reject conditions which are unduly burdensome, or to assure non-discriminatory treatment of releases. The Releasing Shipper should specify which one of the following methods is acceptable for bidding on a given capacity release Offer:

- Non-Index-based release - dollars and cents,
- Non-Index-based release – percentage of maximum rate, or
- Index-based formula as detailed in the capacity release offer.

The Bids for the given capacity release Offer should adhere to the method specified by the Releasing Shipper.



## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

- (b) Southern Star will post the information provided by the Releasing Shipper on CSI. The posting will include, but will not be limited to:
  - (1) the quantity available for assignment,
  - (2) the points of receipt and delivery and the released quantity for each point,
  - (3) the term of the assignment, and whether the release is on a permanent or temporary basis,
  - (4) whether the assignment is firm or recallable and the recall/reput conditions, if applicable,
  - (5) the minimum reservation charge the Releasing Shipper will accept, and/or, if the Shipper elects, the minimum Reservation Charge restated on a volumetric basis,
  - (6) any Pre-arranged Shipper proposed to obtain released capacity under the rates, terms and conditions contained in the Shipper's Notice,
  - (7) whether contingent bids will be accepted subject to Section 11.4(c), and
  - (8) any other conditions the Releasing Shipper specifies for the assignment in accordance with Section 11.4(a).

The Releasing Shipper is responsible for verifying the accuracy of the posting.

The releasing party has the right to withdraw its Offer during the bid period where unanticipated circumstances justify and no minimum Bid has been made.

Offers shall be binding until notice of withdrawal is received by Southern Star on its Customer Activities Web site.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

- (c) Replacement and Pre-arranged Shippers must be on Southern Star's Pre-approved Bidders List, as defined in Section 8.5, and have sufficient creditworthiness approved by Southern Star to cover its bid before its bid may be submitted under Section 11 of these General Terms and Conditions. The Replacement or Pre-arranged Shipper must satisfy all other pipeline tariff provisions governing Shipper eligibility before it may contract with Southern Star for the released capacity. Once the Replacement or Pre-arranged Shipper, with the approval of Releasing Shippers, executes a Service Agreement with Southern Star, the Replacement or Pre-arranged Shipper becomes a Shipper like any other Shipper and is subject to applicable provisions of Southern Star's FERC Gas Tariff, including but not limited to Southern Star's billing and payment and operational provisions. In addition, the Replacement or Pre-arranged Shipper as a Shipper may also release its capacity pursuant to this Section. Firm capacity reassignments will require the tender of paper service agreements only when the release is for the entire remaining term of all or a portion of the Releasing Shipper's capacity on Southern Star's system.
- (d) Any Replacement or Pre-arranged Shipper who satisfies all tariff provisions governing eligibility and who desires the capacity may submit a bid for the capacity under the conditions posted in conjunction with a notice of release. Any such bid shall be considered a service request pursuant to Section 8.1 of these General Terms and Conditions. The Shipper desiring capacity must submit a bid to Southern Star via Southern Star's CSI prior to the expiration of the bidding period. Bids for capacity may not exceed Southern Star's posted maximum rate including ACA or other surcharges; provided, however, that beginning July 30, 2008, the maximum rate ceiling specified in the preceding sentence shall not apply to capacity release transactions of one year or less. Southern Star will post a volumetric equivalent of its maximum reservation charge on the applicable Tariff Sheet Nos. 8-12. Any marketing fee to be earned by Southern Star may not be included in a maximum rate bid by a Replacement Shipper. Bids for capacity will be posted on Southern Star's CSI with the bidder's identity deleted.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

A bidder may withdraw its bid for capacity at any time prior to the close of the bidding period specified in Section 11.4(b), but may only submit a new bid for that released capacity having a higher economic value. If a person submits multiple bids, and withdraws one, all bids for the same released capacity or any portion thereof are considered withdrawn. Bids shall be binding until written or electronic notice of withdrawal is received by Southern Star on its Customer Activities Web site. Bids cannot be withdrawn after the bid period ends.

If the Releasing Shipper has specified a procedure for determining the best bid, Southern Star will utilize the Releasing Shipper's desired procedure; otherwise, Southern Star will consider only the demand component (restated to the demand basis if the bid is volumetric) and the term of bids, in valuing the bids. A volumetric rate may not exceed the 100% load factor equivalent of the maximum reservation charge for the applicable firm service. Provided, however, that beginning July 30, 2008, the maximum rate ceiling specified in the preceding sentence shall not apply to capacity release transactions of one year or less. Such maximum volumetric rates are stated on the applicable Tariff Sheet Nos. 8-12. The value of offers will be calculated on a net present value basis per Dth of firm capacity. Southern Star will use a discount rate equal to the interest rate applicable to pipeline refunds pursuant to Section 154.501 of the Commission's regulations or successor regulation to evaluate all bids. When Southern Star makes awards of capacity for which there have been multiple Bids meeting minimum conditions, Southern Star will award the Bids, best Bid first, until all offered capacity is awarded.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

If the value of offers cannot be determined, all bids will be considered void, and the bidding process will be repeated. Southern Star will tender a Service Agreement for firm service to the Replacement Shipper whose bid provides the greatest economic value, and whose bid meets all the conditions placed upon the assignment by the Releasing Shipper as provided for in Section 11.4(a). If the Releasing Shipper does not specify a method of determining economic value, the economic value will be determined in accordance with the preceding paragraph of this Section 11.4(d). If the bids of two or more Replacement Shippers provide the same economic value and both meet all the conditions placed upon the assignment, Southern Star will tender the Service Agreement to the Replacement Shipper who submitted its bid first, unless, in accordance with Section 11.4(a), the Releasing Shipper has specified an alternative method for breaking ties, in which event the method specified by the Releasing Shipper shall be used.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

If the Releasing Shipper has notified Southern Star in the Release Notice that it has a Pre-arranged Shipper who has agreed to pay less than the applicable maximum rate for the service, the Pre-arranged Shipper may match the bid that has the greatest net present value by executing a Service Agreement that matches the terms of the bid providing the greatest net present value within the time period specified in Section 11.4.

Any bid submitted for released capacity pursuant to Section 11 may state that its acceptance is contingent upon the occurrence of another event; provided, the Releasing Shipper's Release Notice allows the submission of contingent bids.

- (e) Southern Star will allow re-releases on the same terms and basis as the primary release (except as prohibited by regulations). All Releasing Shippers and Replacement Shippers holding such capacity shall execute the service agreements.
- (f) Southern Star shall post the winning bid on CSI for five (5) business days.
- (g) Recall/Reput Rights
  - (1) Southern Star will support the function of reputting by Releasing Shippers.

If the Releasing Shipper wishes to recall capacity to be effective for a gas day, the notice must be provided to Southern Star and the Replacement Shipper. When capacity is recalled, it may not be reput for the same Gas Day. The deadline for notifying Southern Star of a reput is 8:00 a.m. to allow for timely nominations to flow on the next Gas Day.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

- (2) Southern Star supports the following recall notification periods for all released capacity subject to recall rights:
  - (i) Timely Recall Notification:
    - (a) A Releasing Shipper recalling capacity should provide notice of such recall to Southern Star and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
    - (b) Southern Star 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;
  - (ii) Early Evening Recall Notification:
    - (a) A Releasing Shipper recalling capacity should provide notice of such recall to Southern Star and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
    - (b) Southern Star 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;
  - (iii) Evening Recall Notification:
    - (a) A Releasing Shipper recalling capacity should provide notice of such recall to Southern Star and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

- (b) Southern Star 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;
- (iv) Intraday 1 Recall Notification:
  - (a) A Releasing Shipper recalling capacity should provide notice of such recall to Southern Star and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
  - (b) Southern Star 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;
- (v) Intraday 2 Recall Notification:
  - (a) A Releasing Shipper recalling capacity should provide notice of such recall to Southern Star and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
  - (b) Southern Star 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;
- (vi) Intraday 3 Recall Notification:
  - (a) A Releasing Shipper recalling capacity should provide notice of such recall to Southern Star and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due; and

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.4 Procedure (Cont'd)

- (b) Southern Star 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.
- (3) For the recall notification provided to Southern Star, the quantity should be expressed in terms of total released capacity entitlements.
- (4) For recall notification provided to Southern Star prior to the recall notification deadline specified above and received between 7:00 a.m. and 5:00 p.m., Southern Star should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification.
- (5) For recall notification provided to Southern Star after 5:00 p.m. and prior to 7:00 a.m., Southern Star should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification.
- (6) The Replacement Shipper should provide Southern Star with no more than two Internet e-mail addresses to be used for recall notification. The obligation of Southern Star to provide notification is waived until at least one of the addresses has been provided. Affected Replacement Shipper should manage internal distribution of notifications of recall received from Southern Star.



## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.5 Offers to Purchase Capacity

Requests to purchase releasable capacity may also be posted on Southern Star's CSI and will remain on Southern Star's CSI for no less than thirty (30) days.

#### 11.6 Marketing Fees

Southern Star will enter into an agreement with any Shipper who desires Southern Star to actively market its released capacity. Such agreement will specify the actions that Southern Star is to take to market such capacity.

A marketing fee to be paid to Southern Star by the Releasing Shipper for whom Southern Star markets capacity will be negotiated and set forth in the marketing agreement. This fee may be either a stated amount, or a rate per dekatherm.

If Southern Star only posts a Releasing Shipper's firm capacity on CSI and does not actively market such capacity, no marketing fee will be charged.

#### 11.7 Rights and Obligations of Releasing and Replacement Shippers

The Releasing Shipper shall receive a credit for gross revenues billed to the Replacement Shipper reduced by the following, if applicable:

- (a) the product of (1) the quantities delivered times (2) the sum of (i) the firm commodity rate, and (ii) any commodity surcharges;
- (b) any penalties or any authorized overrun charges incurred; and
- (c) Southern Star's marketing fee.

## GENERAL TERMS AND CONDITIONS

### 11. FIRM CAPACITY REASSIGNMENT (Cont'd)

#### 11.7 Rights and Obligations of Releasing and Replacement Shippers (Cont'd)

Credits for gross revenues billed less the revenues calculated in (a), (b), and (c) above shall be given on invoices to Releasing Shippers for the same month the release is effective.

The Service Agreement of the Releasing Shipper remains in full force and effect, and the Releasing Shipper will be liable for the amount of the reservation charge and surcharges if the Replacement Shipper fails to pay the reservation charge and surcharges. The Releasing Shipper is also liable for interest on the amount of reservation charges and surcharges not paid by the Replacement Shipper.

The Replacement or Prearranged Shipper shall be liable to Southern Star for all charges it incurs.

The Replacement Shipper is subject to the same obligations and entitled to the same rights enjoyed by the Releasing Shipper, including the use of pools.

#### 11.8 Permanent Releases of Capacity

Where there is a permanent release of capacity, such release is at the same rate paid by the Releasing Shipper and for the remaining term of the service agreement, and the Replacement Shipper meets Southern Star's creditworthiness standards, Southern Star will release the Releasing Shipper from liability for the permanently released portion of the contract.

## GENERAL TERMS AND CONDITIONS

### 12. INTERRUPTIBLE CAPACITY

Southern Star will post on its electronic bulletin board on a daily basis all transmission capacity not being utilized and storage capacity available. Such capacity will be available for interruptible service under the terms and conditions of Rate Schedule ITS or ISS. Any party wishing to request interruptible capacity shall follow the procedure set forth in Section 8.1.

## GENERAL TERMS AND CONDITIONS

### 13. FUEL AND LOSS REIMBURSEMENT

Shippers shall reimburse Southern Star for fuel and loss (fuel and loss) in kind. A separate fuel and loss reimbursement percentage shall be stated for the Production Area, the Market Area and for storage.

#### 13.1 Filing of Transmission System Fuel and Loss Reimbursement Percentages

Southern Star shall file revised fuel and loss reimbursement percentages each year based on actuals for the preceding twelve-month period ended December 31. Any difference between actual fuel and loss in the prior twelve-month period and the quantity retained in kind hereunder for such twelve-month period shall be included in the calculation of revised fuel and loss reimbursement percentages for the following year. Such annual filing shall be made no later than March 1 to be effective April 1.

If the calculations of the transmission system fuel and loss reimbursement percentages (as shown in GT&C Section 13.2) result in negative overall fuel and loss reimbursement percentages for the Production Area and/or the Market Area, then the filed fuel and loss reimbursement percentage(s) for such area(s) will be 0.00%.

If the calculation of the loss component results in a negative percentage, the loss component will be set to 0.00% for loss only component rates for both the Production Area and the Market Area, and the calculated negative loss component will be netted against the fuel component when calculating the overall fuel and loss reimbursement percentages for the Production Area and the Market Area.

#### 13.2 Method of Calculation of Transmission System Fuel and Loss

Actual fuel consumed at each compressor station or other fuel consuming facility is measured and is assigned to the area (Production/Market/Storage) where such facility is located. Transmission system losses are calculated by (1) subtracting actual deliveries off the system and actual fuel consumed from actual receipts on the system; and (2) subtracting net storage injections or adding net storage withdrawals to the result obtained in (1). Such transmission system losses are then allocated to the Production Area and the Market Area based on quantities received in each area, including volumes received into the Market Area at the Production Area/Market Area Interface.

## 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

- (a) The storage fuel and loss reimbursement percentage shall have two components: a base charge and a surcharge.

Base Charge: The base storage fuel and loss percentage shall be three and twenty-four one-hundredths of a percent (3.24%).

## GENERAL TERMS AND CONDITIONS

### 13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

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

Surcharge: Southern Star shall maintain an over- or under-recovery account of storage fuel and losses. The surcharge shall be zero so long as the balance in the storage fuel and loss account is equal to or less than 2,500,000 Dth, either positive or negative, at December 31 of any year. If that balance exceeds 2,500,000 Dth, Southern Star will calculate a positive or negative surcharge to be effective April 1 of the following year by dividing the quantity of gas that exceeds 2,500,000 Dth by the most recent ten-year average of actual customer storage injections.

- (b) The balance in the storage fuel and loss account as of December 31, 2018 was an over-recovery of 272,127 Dth. The over- or under-recovery account of storage fuel and losses shall be adjusted by adding Storage Fuel and Loss Retained, subtracting Storage Fuel, and subtracting Storage Loss to determine the account balance.

Storage Fuel and Loss Retained: The quantity of gas retained as storage fuel and loss in any period is calculated by multiplying the actual customer storage injections times the total storage fuel and loss reimbursement percentage in effect during the relevant period.

Storage Fuel: The actual fuel consumed at each storage compressor station or other storage fuel consuming facility attributable to storage operations is measured.

Storage Loss: 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 storage 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.

## GENERAL TERMS AND CONDITIONS

### 13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

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

Except as necessary to meet operational demands, Southern Star shall: (i) perform the end-of-the-injection-cycle shut-in pressure test on each field at the point in time when Southern Star 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 Southern Star reasonably believes the field is at or near the lowest inventory level that will be achieved. If operational demands significantly affect its ability to perform the shut-in pressure test(s) as described above, Southern Star shall provide a detailed explanation of such operational demands in its annual filing.

- (c) 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 under-recovery in such account and shall calculate a surcharge to refund any over-recovery in such account.

## GENERAL TERMS AND CONDITIONS

### 13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

#### 13.5 Zero Fuel Charge on Certain Backhaul Transactions

Southern Star will assess a zero charge for the fuel component of its fuel and loss reimbursement percentage and will charge only the loss component of such fuel and loss reimbursement percentage for transactions between the receipt and delivery points for each path specified below.

##### Path I

##### Receipt Points

Any receipt point on the Rawlins-Hesston line located east of the Chalk Bluffs interconnect with Public Service Co. of Colorado, in Weld County, Colorado and west of Southern Star's Hesston compressor station, in Harvey County, Kansas.



## GENERAL TERMS AND CONDITIONS

### 13. FUEL AND LOSS REIMBURSEMENT (Cont'd)

#### 13.5 Zero Fuel Charge on Certain Backhaul Transactions (Cont'd)

##### Delivery Points

1. Chalk Bluffs interconnect with Public Service Co. of Colorado, located in Weld County, Colorado, Billing Location number 52
2. Skull Creek interconnect with Questar Pipeline, located in Sweetwater County, Wyoming, Billing Location number 90
3. Riner interconnect with Colorado Interstate Gas Co., located in Sweetwater County, Wyoming, Billing Location number 47641

#### 13.6 Zero Fuel and Loss Charge on Satanta to Jayhawk Transactions

Southern Star will assess a zero charge for both the fuel and loss components of its fuel and loss reimbursement percentage for transactions nominated from Receipt Location 15433 – Satanta Plant for delivery to Delivery Location 19000 – LINN Jayhawk Delivery.

## GENERAL TERMS AND CONDITIONS

### 14. EXIT FEES AND STRANDED INVESTMENT

#### 14.1 Exit Fees

In the event firm service agreements which become effective on or after the effective date of this Section 14 are terminated prior to the expiration of the primary term, an exit fee, to be negotiated by Southern Star and the Shipper exiting the system, shall be due upon termination. If such capacity, or any portion thereof, is resold prior to the end of the original term, Southern Star will credit the Shipper who has exited its system, on a monthly basis, with an amount equal to each month's reservation charge received for such capacity, provided that a Replacement Shipper subscribes for the same primary receipt and delivery points as the exiting Shipper. If Southern Star and the exiting Shipper agree that Southern Star will actively market its capacity, and Southern Star arranges for the Replacement Shipper, a marketing fee of 10% of each month's reservation charge will be deducted from each month's reservation charge credit. Such monthly credit will be given to the Shipper who has exited the system for the remaining term of the terminated contract during which the capacity is used.

#### 14.2 Stranded Investment

Southern Star may file under Section 4 of the Natural Gas Act for approval to recover any stranded investment costs. Such filings shall include a proposed method of allocation and recovery for recovery of such costs. Southern Star shall file to abandon facilities, as necessary.

## GENERAL TERMS AND CONDITIONS

### 15. REIMBURSEMENT FOR GOVERNMENTAL FEES OR CHARGES

Shipper shall pay Southern Star, at the time of the execution of the Service Agreement, any fees or charges Southern Star is obligated to pay any Federal or state agency or commission related to the services to be provided for Shipper.

## GENERAL TERMS AND CONDITIONS

### 16. RESERVATION OF CAPACITY FOR EXPANSION PROJECTS

#### 16.1 Rights to Reserve Capacity

Southern Star may elect to reserve capacity required for a future expansion project out of unsubscribed capacity or expiring capacity under Service Agreements where such Service Agreements do not have a right of first refusal or Shipper does not exercise its right of first refusal. Southern Star may only reserve capacity for a future expansion project for which an open season has been held or will be held within one year of the date that Southern Star posts such capacity as being reserved. Prior to reserving capacity for an expansion project, Southern Star shall first post for bid all of its available capacity on CSI for a minimum of five (5) business days and award such capacity in accordance with the terms of the posting.

#### 16.2 Periods Southern Star May Reserve Capacity

Capacity may be reserved for expansion projects only during a 12-month period prior to Southern Star filing for certificate approval for construction or acquisition of proposed expansion facilities, and following the certificate filing, only until 12 months after all expansion facilities related to the certificate filing are placed into service, pursuant to Section 16.4, if no certificate filing is required due to the size of the project, then Southern Star may only hold the capacity for 12 months following the date the facilities are placed in service.

#### 16.3 Posting of Reserved Capacity

If Southern Star reserves capacity for an expansion project, it will notify Shippers of its intent as part of Southern Star's posting of capacity on CSI. Southern Star's posting for reserved capacity for future expansion projects shall include the following information: (a) a description of the project for which the capacity will be reserved; (b) the total quantity of capacity to be reserved; (c) the location of the proposed reserved capacity on the pipeline system; (d) whether, and if so when, Southern Star anticipates that an open season for the capacity will be held or the reserved capacity will otherwise be posted for bids; (e) the

## GENERAL TERMS AND CONDITIONS

### 16. RESERVATION OF CAPACITY FOR EXPANSION PROJECTS (Cont'd)

#### 16.3 Posting of Reserved Capacity (Cont'd)

projected in-service date of new facilities; and (f) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a right of first refusal. Southern Star will make reasonable efforts to update the reservation posting up to the in-service date of the project to reflect any material changes in the scope of the project.

#### 16.4 Open Seasons and Turnback Capacity

For Binding Open Season capacity expansions, Southern Star will consider bids for capacity with a service commencement date that begins up to one year later than the date by which the expansion capacity is available. If Southern Star accepts such a bid with a future service commencement date, such future capacity will be reserved for its bidder and the interim capacity will be made available by bid for other shippers by posting on Southern Star's Web site for a period of at least 5 days no later than 30 days before such interim capacity becomes available. When soliciting turnback in a Binding Open Season, Southern Star reserves the right to receive the turnback capacity in stages as necessary to match the effective date(s) of the expansion capacity agreements executed as a result of the Open Season.

#### 16.5 Interim Capacity and Extension Rights

Any capacity reserved under this Section will be made available for transportation service pursuant to Southern Star's FERC Gas Tariff on a limited-term basis up to the in-service date of the expansion/extension project. Southern Star reserves the right to limit any extension rights provided in such Service Agreement(s), pursuant to Section 6 of the General Terms and Conditions commensurate with the proposed in-service date of any facilities.

#### 16.6 Unused Reserve Capacity

Any capacity reserved for a project that does not go forward for any reason shall be reposted as generally available within 10 days of the date the capacity becomes available. The previously reserved capacity will become available when Southern Star posts the capacity on its Informational Posting Web site under Section 8.9 of the General Terms and Conditions.

## GENERAL TERMS AND CONDITIONS

### 17. MEASUREMENT AND MEASURING EQUIPMENT

Unless otherwise specified in the executed Service Agreement or Construction and Operating Agreement, the quantities of gas received or delivered hereunder shall be measured at a meter or meters of a type and kind generally accepted by the natural gas industry for the measurement of natural gas at the rates of flow and pressure expected to exist at the point of receipt and delivery in accordance with the following:

- (a) The unit of measurement of gas received and delivered hereunder shall be calculated in dekatherms (Dths).
- (b) Gas quantities measured and calculated using electronic gas measurement equipment shall be designed, installed, and operated as described in the American Petroleum Institute (API), Manual of Petroleum Measurement Standards, Chapter 21, titled Flow Measurement Using Electronic Metering Systems, Section 1, Electronic Gas Measurement, and subsequent revisions thereto.

As described in the API Electronic Gas Measurement standard, either the off-site or on-site calculation method will be utilized, depending on operational considerations.

All verification and audit trail information will be created, and available on a monthly basis, as outlined in the API Electronic Gas Measurement standard. Included will be quantity transaction records, configuration log information, event log information, corrected quantity transaction records, and calibration and test record information.

- (c) Orifice meters shall be constructed in accordance with the recommendations prescribed in the latest edition of the ANSI/API 2530 measurement standard and any subsequent amendments or replacements thereto. Where other types of meters are used, calculations shall be performed per normally accepted industry practices, methods or standards.

## GENERAL TERMS AND CONDITIONS

### 17. MEASUREMENT AND MEASURING EQUIPMENT (Cont'd)

- (d) Atmospheric Pressure. For the purpose of measurement, calculation and meter calibration, the average absolute atmospheric (barometric) pressure shall be based on the actual altitude of each point of measurement irrespective of variations in natural atmospheric pressure from time to time.
- (e) The temperature of the gas shall be determined by means of continuously recording thermometers unless it is mutually agreed to use a 60 degree Fahrenheit flowing temperature. The average flowing temperatures, recorded to the nearest one degree Fahrenheit during each day, shall be deemed the daily gas temperature and shall be used in computing the daily gas received or delivered hereunder.
- (f) Relative density (specific gravity) determinations for the purpose of measurement computations shall be made upon initiation of receipts or deliveries hereunder, and as often thereafter as found necessary in practice, in accordance with a method accepted in the industry, and these determinations so made shall be used in calculating the volume of gas received or delivered hereunder.
- (g) For gas received or delivered hereunder, the heating value of the gas in BTUs per cubic foot shall be determined by an on-line chromatograph or other method as may be mutually agreed upon. If mutually agreed, continuous gas samplers and spot samples may also be used to obtain gas for analysis. The arithmetic average of the hourly heating value determined during periods of flow each day by an on-line chromatograph or recording calorimeter will be the heating value of the gas during such day.

## GENERAL TERMS AND CONDITIONS

### 17. MEASUREMENT AND MEASURING EQUIPMENT (Cont'd)

- (h) The supercompressibility of the gas shall be determined in accordance with the recommendations prescribed in A.G.A. Transmission Measurement Committee Report No. 8, as amended, titled Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases.

Any meter or meters installed by any party shall be installed at or near each point of receipt or delivery. Such meters shall be of industry standard type designed to measure the gas at the receipt or delivery point.

Southern Star and Shippers shall test their respective gas measurement equipment at mutually agreed upon intervals; provided, however, that neither shall be required to perform such test more than once in a thirty-day period. At any such test the other may have a representative present if it so desires. Shippers hereunder shall also have the right to inspect Southern Star's meter settings at the receipt and delivery points in the presence of representatives of Southern Star, request tests of Southern Star's gas measurement equipment and be present at such tests; provided, however, that Southern Star shall not be required to conduct such tests more than once each month. Shippers hereunder shall not alter or in any manner disturb, manipulate or tamper with any of Southern Star's equipment.

At meters where any party other than Southern Star is responsible for changing meter charts, such charts shall be received by Southern Star no later than 48 hours following the day they are changed.

When measuring equipment is found to be no more than two percent (2%) high or low during a gas day, previous readings shall be considered correct in computing the receipts and deliveries of gas hereunder, and such equipment shall be adjusted at once to operate correctly. If at any time a measurement error of greater than two percent (2%) during a gas day is determined, gas quantities or calculations will be corrected accordingly; provided, however, that if the measurement error results in an adjustment to the monthly quantity of 100 Dth or less, no adjustment will be made. The period of time for which such corrections will be attributed shall be for any period which is known definitely or agreed upon. If the period is not known definitely or agreed upon, then such correction shall be for a period equal to one-half of the time elapsed since the date of the last equipment test, to a maximum of fifteen (15) days or back to 9:00 a.m. on the first day of the current month, whichever is less.



## GENERAL TERMS AND CONDITIONS

### 17. MEASUREMENT AND MEASURING EQUIPMENT (Cont'd)

The cutoff for the closing of measurement is five (5) Business Days after the business month.

Southern Star will estimate missing or late measurement data and treat actual as a prior period adjustment, with the measuring party providing the estimate. Measurement data corrections must be processed within six (6) months of the production month with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact, in which case the correction period will be extended to 24 months. The parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. For treatment of measurement prior period adjustments, the adjustment will be taken back to the production month. A meter adjustment becomes a prior period adjustment after the fifth Business Day following the business month.

Southern Star and Shipper shall design, install, operate and maintain their respective measurement equipment in such a manner that pulsation induced measurement error is minimized. Pulsation induced error shall not exceed one quarter of one percent (0.25%) of square root error (SRE). Equipment may be used to determine SRE if agreed upon by both parties.

## GENERAL TERMS AND CONDITIONS

### 17. MEASUREMENT AND MEASURING EQUIPMENT (Cont'd)

Southern Star shall have the right to request a test of the meter facility of Shipper, and Shipper shall have the right to request a test of the meter facility of Southern Star at reasonable intervals, no more often than once in thirty days. If SRE is found to exceed the limit stated above, the party owning the orifice meter shall, at the request of the other party, submit to the requesting party plans for installation of pulsation suppression equipment within a thirty-day period following such request, and shall install said equipment within a reasonable period of time. If such plan is not submitted within the thirty-day period, or equipment not installed within a reasonable time, the requesting party shall have the option of shutting in the delivery. Pulsation errors determined by use of the square root error indicator (SREI) manufactured under a license from the Southern Gas Association are to be used only for the purpose of indicating needed facility modification and are not to be used for adjusting accounts.

Shippers, operators or producers shall use their best efforts to avoid any equipment, including intermitters or timed motor-operated or gas-operated valves, the use of which prevents Southern Star's metering equipment from obtaining reliable measurements. If such equipment is required in order for gas to flow, Southern Star will cooperate with the Point Operator to reach a mutually acceptable method of accounting for any interference with measurement caused by the equipment.

## GENERAL TERMS AND CONDITIONS

### 18. BILLING AND PAYMENTS

For gas received or delivered by Southern Star, the billing period shall begin on the first day of the month and end on the last day of the month.

Either party shall have the right, upon reasonable notice, to examine and audit the records, books of account, and charts of the other for a period of one year prior to any audit request to the extent necessary to verify the accuracy of any computation, statement or charge for such service, and to verify compliance with the associated service agreement. "Records" pursuant to this paragraph shall include detailed measurement data by delivery point (meter setting). For this purpose, each party shall retain all pertinent records in accordance with applicable regulations. Each party shall provide the other with access to personnel and records necessary to effectuate an examination and audit. "Access" pursuant to this paragraph contemplates audits on the other party's premises during normal business hours. Each party may copy any documents that can be properly audited hereunder, and each party agrees that such copies will be used only for their purposes hereunder and will not be disclosed to unrelated parties. All bills are deemed accurate if not challenged within six (6) months of the invoice date.

## GENERAL TERMS AND CONDITIONS

### 18. BILLING AND PAYMENTS (Cont'd)

Invoices for all gas received or delivered during each billing period will be rendered on or before the ninth business day after the end of the production month. The imbalance statement will be rendered prior to or with the invoice. Shippers may elect to receive their invoice and imbalance statement by email rather than U.S. mail service. If Shipper desires to receive their invoice and imbalance statement by email, they must notify Southern Star in writing, or by sending an email to [sscgasrevenueaccounting@southernstar.com](mailto:sscgasrevenueaccounting@southernstar.com). The term "rendered" is defined as postmarked, time-stamped and delivered (made available) to the designated site or time-stamped and emailed to the email address designated by Shipper. Payment shall be made to Southern Star at the location specified on the invoice, within ten days from the date of mailing or other transmission of the invoice. Shipper shall submit supporting documentation with any payment. Southern Star shall apply the payment per the supporting documentation provided by the Shipper. If the payment differs from the invoiced amount, remittance detail must be provided with the payment, except when payment is made by electronic fund transfer (EFT), in which case the remittance detail is due within two business days of the payment due date. Shipper shall identify invoice number(s) on all payments. If the invoice is in dispute, Shipper shall pay the portion not in dispute and provide documentation identifying the basis for the dispute.

If payment of such invoice is not received by Southern Star within the time stated herein, interest thereon shall accrue monthly at the currently effective rate stated in Section 154.501 of the Federal Energy Regulatory Commission's Regulations under the Natural Gas Act from the due date until the date payment is received by Southern Star. However, Southern Star will not bill interest when such amount is less than \$100. In the event the amount of the invoice is paid under protest and if it is later determined that an overcharge has been paid, Southern Star shall refund the amount of the overcharge with interest thereon from the date of payment of the overcharge at the same rate currently charged for late payments.

The time limitation for disputes of allocations shall be six (6) months from the date of the initial month-end allocation with a three (3) month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

## GENERAL TERMS AND CONDITIONS

### 18. BILLING AND PAYMENTS (Cont'd)

If failure to pay continues for thirty days after payment is due and Southern Star has provided Shipper(s) and the FERC, with at least 30 days notice, Southern Star, in addition to any other remedy it may have under the service agreement, may suspend service under all service agreements with any Shipper who is liable for such payment until satisfactory credit arrangements have been made. Further, after such failure to pay and application to and authorization by the Federal Energy Regulatory Commission, if that authorization is necessary, Southern Star may terminate the service agreements and cease all service thereunder. However, if Shipper in good faith shall dispute the amount of any such bill or part thereof and shall pay to Southern Star such amounts as it concedes to be correct and at any time within thirty days after a demand made by Southern Star shall furnish good and sufficient surety bond or other mutually acceptable security, guaranteeing payment to Southern Star of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment by the courts, as may be the case, Southern Star shall not be entitled to terminate the service agreement or cease service thereunder until default be made in the conditions of such bond.

Under capacity assignment arrangements, if the Replacement Shipper fails to pay within sixty days, the Releasing Shipper will be liable, and will be billed for full payment of the reservation charge and reservation surcharges. If the Releasing Shipper fails to pay the reservation charges which it remains responsible for, service may be suspended or terminated, pursuant to the provisions of the previous paragraph to both that Releasing Shipper and to its Replacement Shipper who is shipping under assignment of the agreement for which the reservation charges are due.

Prior period adjustment time limits must be six (6) months from the date of the initial transportation invoice and seven (7) months from the date of the initial sales invoice, with a three (3) month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact, in which case the correction period will be extended to 24 months. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

## GENERAL TERMS AND CONDITIONS

### 19. POSSESSION OF GAS AND TITLE

Southern Star shall be in control and possession of the natural gas it receives hereunder and responsible, as between Southern Star and Shipper, for any damage or injury caused thereby until the same has been delivered to Shipper at the point of delivery; provided, however, Southern Star shall not be responsible for damages or injuries caused by natural gas it receives while such gas is in the possession and control of any third party. However, Shipper, at all times, shall retain title to the gas or the right to deliver all gas to Southern Star under an executed service agreement free and clear of all liens, encumbrances and claims whatsoever. Shipper shall also be responsible for obtaining its own insurance (including self-insurance) for its gas in storage, and shall hold Southern Star harmless from any loss, cost, or expense arising from any loss of such gas that results from a Force Majeure event.

Southern Star shall not be liable to the Shipper or any of its agents, servants, or employees, or to any person whomsoever for any loss, damage, or injury resulting from the said gas or its uses before entering Southern Star's system at the point(s) of receipt and after leaving Southern Star's system at the point(s) of delivery, all risks thereof and therefrom being assumed, as between Southern Star and Shipper, by Shippers except such losses proximately caused by gross negligence of Southern Star.

Each party assumes full responsibility and liability for the operation of the facilities owned by it and agrees to hold the other party harmless from and against all liability of whatever nature arising from installation, ownership, and operation therefrom.

Unless otherwise provided in Section 8.12 regarding exercise of processing rights of Shippers, all substances, whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that Southern Star or a third party recovers for Southern Star's account shall be Southern Star's sole property, and Southern Star shall not be obligated to account to Shipper for any value, whether or not realized by Southern Star, that may attach or be said to attach to such substances. However, nothing in this provision shall require Southern Star to accept gas which does not meet the applicable quality provisions otherwise provided in this tariff.

## GENERAL TERMS AND CONDITIONS

### 20. PRESSURE

#### 20.1 Receipt Points

Point Operator shall deliver gas to Southern Star at the pressure sufficient to allow the gas to enter Southern Star's facilities at the receipt point(s) at the varying pressures that may exist in such facilities from time to time; provided, however, that such pressure of the gas delivered by Point Operator shall not exceed the maximum allowable operating pressure(s) of such facilities. Southern Star may agree, on a non-discriminatory basis, to a maximum receipt point pressure if, in Southern Star's reasonable discretion, such pressure is operationally feasible. Southern Star will not agree to any receipt point pressures that will adversely affect existing firm service to any other shipper on Southern Star's system and upon request, will provide a written explanation to the requestor explaining the operational basis for rejecting such receipt point pressure request. Southern Star will post on CSI a list of any receipt point pressure commitments.

#### 20.2 Delivery Points

Unless otherwise mutually agreed in the executed firm service agreement, Southern Star shall deliver gas to Point Operator at Southern Star's line pressure existing at the point of delivery; provided, however, that Southern Star will not be required to deliver gas at pressures in excess of the MAOP of the line or to install facilities to effectuate such deliveries. Provided further, prior to agreeing to a minimum delivery pressure in a service agreement, Southern Star will model its system based on firm service obligations at that time and historical delivery pressures (or contracted minimum delivery pressures if such exist) required to meet those obligations in order to maintain reliability and integrity of service under all existing firm service obligations. Southern Star will post on CSI a list of relevant points and minimum pressures considered in modeling its system; such posting will be updated at least annually and may be updated more often as necessary. Southern Star will not agree to a minimum delivery pressure that will render Southern Star unable to meet its existing firm service obligations and upon request, will provide a written explanation to the shipper of the operational basis for rejecting any request for a minimum delivery pressure. Point Operator agrees to install, operate and maintain at its own cost and expense, all pipes, appliances, pressure relief or other valves, fittings, regulators and other equipment necessary to properly handle and regulate the pressure of the gas after delivery to it by Southern Star at the point of delivery. Point Operator shall receive gas at pressures great enough to allow Southern Star's measurement equipment to reliably measure such gas.

## GENERAL TERMS AND CONDITIONS

### 21. FORCE MAJEURE

If either Southern Star or Shipper is rendered unable wholly or in part by Force Majeure to carry out its obligations other than to make payments of amounts due hereunder, and such party gives notice and full particulars of such Force Majeure in writing to the other party as soon as possible after the occurrence of the cause relied on, then the obligations of the party giving such notice, so far as they are affected by such Force Majeure, shall be suspended 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.

A Shipper who is rendered unable wholly or in part by Force Majeure to deliver volumes of gas to Southern Star as scheduled will be required, in addition to giving full particulars of such Force Majeure, to furnish a statement in writing to Southern Star as to where the equivalent reduction in deliveries to Shipper or for Shipper's account, will take place and to make such reduction in deliveries.



## GENERAL TERMS AND CONDITIONS

### 21. FORCE MAJEURE (Cont'd)

The term Force Majeure, as employed 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, floods, washouts, arrests and restraint of rulers and peoples, interruptions by government or court orders, necessity for compliance with any order, law statute, ordinance or regulation promulgated by a governmental authority having jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipes, freezing of wells or lines of pipes, sudden partial or entire failure of natural gas wells, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to overcome. Additionally, Southern Star shall be excused in whole or in part, from its performance for inability to obtain transportation from or through third party pipelines, or as a result of supervening or fortuitous events or circumstance, whether or not foreseeable, or within the contemplation of Southern Star at the time that the Service Agreement was entered into.

The settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty and the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of opposing party when such course is inadvisable in the discretion of the party having the difficulty.

Shipper acknowledges that the transportation of gas over long distances is subject to accident, interruptions, and diminution of pressure, and that Southern Star's ability to redeliver gas is dependent upon third parties' deliveries of gas into Southern Star's system and third parties ability to receive gas from Southern Star's system. Southern Star shall only be bound to exercise reasonable care and diligence in the transportation of gas through its lines to the point of delivery.

## GENERAL TERMS AND CONDITIONS

### 22. DULY CONSTITUTED AUTHORITIES

These General Terms and Conditions, the rate schedules to which they apply, and any service agreement between Southern Star and Shipper, executed pursuant to these General Terms and Conditions, are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction and are subject to modification or change through any procedure or in any manner consistent with the provisions of the Natural Gas Act and any valid rules, orders or regulations issued thereunder or with any other valid applicable law, rule, order or regulation. Each party agrees to make such filings with and reports to the FERC and other governmental authorities as are required of it.

## GENERAL TERMS AND CONDITIONS

### 23. NOTICES

Unless otherwise specified in this Gas Tariff or any service agreement thereunder, any notice, request, demand, statement or bill provided for in this Gas Tariff or any notice either Southern Star or Shipper or Point Operator may desire to give to the other, may be transmitted via Electronic Data Interchange ("EDI"), Southern Star's CSI, email, or in writing. Such communications shall be considered as duly delivered when: (a) the sender receives an acknowledgement of the transmittal of EDI information; (b) Southern Star posts information on CSI or the Shipper/Point Operator's information is recognized and updated by CSI; (c) an email message is sent and the sender does not receive an "undeliverable" message; (d) a written message is mailed to the Post Office address of the other party or to such other address as either shall designate by formal written notice; or (e) when delivered by such other method mutually agreed upon by the parties. Except as otherwise provided in this FERC Gas Tariff, any service agreement or other contract or agreement between Southern Star and any Shipper or Point Operator shall be in writing and signed by all parties thereto.

Electronic communications between Southern Star and any Shipper or Point Operator shall be binding and enforceable in the same manner and to the same extent as written communications, and evidence of electronic communications, if introduced on paper, will be admissible to the same extent as other business records originated in written form.

## 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.

## GENERAL TERMS AND CONDITIONS

### 25. POLICY FOR CONSOLIDATION OF SERVICE AGREEMENTS

25.1 Southern Star and Shipper may mutually agree to consolidate (and terminate, as necessary) multiple service agreements into a single service agreement provided the service agreements to be combined meet the following threshold requirements.

- (a) The service agreements are with the same Shipper, under the same rate schedule, and at the same rate; provided, however, service agreement(s) under either the FTS Rate Schedule or the FSS Rate Schedule may be combined with service agreement(s) under the TSS Rate Schedule, or combined to form service agreement(s) under the TSS Rate Schedule, so long as the ratio of transportation quantity rights to firm storage withdrawal rights conforms to requirements of Section 2(d) of the TSS Rate Schedule.
- (b) None of the service agreements pertain to capacity acquired through temporary capacity release; and
- (c) The service agreements have the same termination date, or Shipper and Southern Star have mutually agreed to a single termination date under the consolidated service agreement. Section 6.1 of the General Terms and Conditions addresses extensions of service agreements.

25.2 Subject to the foregoing, Southern Star will permit service agreements to be consolidated provided the following conditions are met:

- (a) Shipper's and Southern Star's rights and obligations under the consolidated service agreement will be the same as Shipper's and Southern Star's collective rights and obligations under the individual service agreements prior to consolidation; and
- (b) The consolidation will not, in Southern Star's sole opinion, affect Southern Star's ability to provide firm service to Shipper or other Shippers; and
- (c) The consolidation will not, in Southern Star's sole opinion, place an unreasonable burden on Southern Star or impose an adverse financial impact on Southern Star; and
- (d) Any regulatory authorizations required to effectuate the consolidation are granted in a manner acceptable to Southern Star and Shipper.

## GENERAL TERMS AND CONDITIONS

### 25. POLICY FOR CONSOLIDATION OF SERVICE AGREEMENTS (Cont'd)

- 25.3 Termination of service agreements, if required as part of the consolidation process, shall not initiate right-of-first-refusal procedures under Section 6 of the General Terms and Conditions.
- 25.4 All rights and obligations specified in the individual service agreements to be consolidated will be specified in the consolidated service agreement.
- 25.5 Southern Star's agreement to consolidate service agreements pursuant to this Section 25 shall not be withheld or granted in an unduly discriminatory manner.

## GENERAL TERMS AND CONDITIONS

### 26. FEDERAL ENERGY REGULATORY COMMISSION ANNUAL CHARGE ADJUSTMENT

#### 26.1 Purpose

For the purpose of funding of the Federal Energy Regulatory Commission's costs incurred in any fiscal year, this Section 26 establishes an annual charge adjustment (ACA) to be applicable to Southern Star's services as referenced in the footnotes on the applicable Tariff Sheet Nos. 8-12 of this FERC Gas Tariff, except for service under Rate Schedules FSS, ISS, FS1, IS1, PAS, PLS and PS. The ACA charge is not assessed on deliveries to interfaces or pools when such quantities are delivered to another downstream transportation agreement with Southern Star (as detailed in each of the rate schedules under the "monthly bill" sections). This Section 26 precludes Southern Star from recovering any annual charges recorded in FERC Account No. 928 in a NGA Section 4 rate case.



## GENERAL TERMS AND CONDITIONS

### 26. FEDERAL ENERGY REGULATORY COMMISSION ANNUAL CHARGE ADJUSTMENT (Cont'd)

#### 26.2 Basis of the Annual Charge Adjustment

The services specified in Section 26.1 hereof shall include an ACA unit charge, as calculated by the Commission, and as revised annually and posted on the Commission's Web site (<http://www.ferc.gov>) via a notice entitled "FY [Year] Gas Annual Charges Correction for Annual Charges Unit Charge".

#### 26.3 Remittance to the Federal Energy Regulatory Commission

Southern Star shall remit to the Federal Energy Regulatory Commission, not later than forty-five (45) days after receipt of the Annual Charges Billing, the Total Annual Charge stated on such billing.

## GENERAL TERMS AND CONDITIONS

### 27. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB")

Southern Star has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 CFR 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. Such standards have been reproduced in the tariff subject to a limited copyright waiver from NAESB with all rights reserved. Standards for which waivers or extensions of time have been granted are also identified.

#### Standards not incorporated by Reference and their Location in Tariff:

<b>NAESB Standard</b> <b>© 1996-2020 NAESB, all rights reserved.</b>	<b>Tariff Record</b>	
	<b>Sheet No.</b>	<b>GT&amp;C Section</b>
1.2.1	235	9.1(g)
1.2.3	211	4.1
1.2.4	236	9.2(a)
1.2.5	235	9.1(h)
1.2.6	203	1.26
1.3.1	201	1.12
1.3.2(i-vi)	233, 234 & 234A	9.1(e)
1.3.5	232	9.1(c)
1.3.6	235	9.1(e)(7)
1.3.9	236	9.2(b)
1.3.11	236	9.2(a)
1.3.13	236	9.2(a)
1.3.20	235	9.1(f)
1.3.21	235	9.1(e)(7)
1.3.23	233	9.1(d)
1.3.24	235	9.1(h)
1.3.25	235	9.1(h)
1.3.33	236	9.2(c)
2.2.1	203	1.25
2.3.4	214	5.2
2.3.7	287	17
2.3.11	287	17
2.3.13	287	17
2.3.14	287	17
2.3.16	214	5.1
2.3.18	214	5.1
2.3.26	290	18

GENERAL TERMS AND CONDITIONS

27. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB") (Cont'd)

**Standards not incorporated by Reference and their Location in Tariff (Cont'd):**

<b>NAESB Standard</b> <b>© 1996-2020 NAESB, all rights reserved.</b>	<b>Tariff Record</b>	
	<b>Sheet No.</b>	<b>GT&amp;C Section</b>
2.3.28	243	9.7(a)
2.3.31	245	9.7(f)
3.2.1	201	1.3
3.3.6	211	4.1
3.3.14	290	18
3.3.15	291	18
3.3.17	290	18
3.3.18	290	18
3.3.19	290	18
5.3.1	260	11.4(a)
5.3.2	260 & 261	11.4(a)
5.3.3	262 & 262A	11.4(a)
5.3.4	265	11.4(d)
5.3.7	267	11.4(g)(1)
5.3.8	262	11.4(a)
5.3.12	260	11.4(a)
5.3.13	265	11.4(d)
5.3.14	263	11.4(b)
5.3.15	265	11.4(d)
5.3.16	263	11.4(b)
5.3.19	267	11.4(e)
5.3.24	260	11.4(a)
5.3.25	262	11.4(a)
5.3.26	262A	11.4(a)
5.3.44	268, 269 & 270	11.4(g)(2)
5.3.45	270	11.4(g)(4) & (5)
5.3.47	270	11.4(g)(6)
5.3.52	270	11.4(g)(6)
5.3.53	267	11.4(g)(1)
5.3.54	267	11.4(g)(1)
5.3.55	270	11.4(g)(3)

## GENERAL TERMS AND CONDITIONS

### 27. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB") (Cont'd)

#### **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

##### **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

##### **Operating Capacity and Unsubscribed:**

Standards:  
0.3.18, 0.3.20, 0.3.21, 0.3.22

Datasets:  
0.4.2, 0.4.3

##### **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

Datasets:  
0.4.4

##### **Storage Information:**

Dataset:  
0.4.1

## GENERAL TERMS AND CONDITIONS

### 27. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB") (Cont'd)

#### **Nominations Related Standards:**

##### Definitions:

1.2.2, 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:

1.3.3, 1.3.4, 1.3.7, 1.3.8, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.19, 1.3.22, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 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

##### Datasets:

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:**

##### Definitions:

2.2.2, 2.2.3, 2.2.4, 2.2.5

##### Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.5, 2.3.6, 2.3.8, 2.3.9, 2.3.10, 2.3.12, 2.3.15, 2.3.17, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.29, 2.3.30, 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

##### Datasets:

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

## GENERAL TERMS AND CONDITIONS

### 27. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB") (Cont'd)

#### **Invoicing Related Standards:**

Definition:  
Adopted in tariff.

Standards:  
3.3.3, 3.3.4, 3.3.5, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.16, 3.3.21,  
3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26

Datasets:  
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

## GENERAL TERMS AND CONDITIONS

### 27. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB") (Cont'd)

#### **Capacity Release Related Standards:**

##### Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

##### Standards:

5.3.5, 5.3.9, 5.3.10, 5.3.11, 5.3.18, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 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, 5.3.46, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 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

##### Datasets:

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

GENERAL TERMS AND CONDITIONS

27. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB") (Cont'd)

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

<u>NAESB Standard</u>	<u>Waiver or Extension of Time</u>
2.4.1	Extension of Time
2.4.2	Extension of Time
2.4.3	Extension of Time
2.4.4	Extension of Time
2.4.6	Extension of Time
2.4.7	Extension of Time
2.4.8	Extension of Time
2.4.17	Extension of Time
2.4.18	Extension of Time
3.4.1	Extension of Time
3.4.2	Extension of Time
3.4.3	Extension of Time
3.4.4	Extension of Time
5.4.23	Extension of Time



## GENERAL TERMS AND CONDITIONS

### 28. NEGOTIATED RATES

- 28.1 Availability: Southern Star and Shipper may mutually agree to negotiate rates under any Part 284 Rate Schedule that expressly provides for a negotiated rate and references this Section 28. Southern Star's maximum effective rate (maximum base rate plus all applicable surcharges) for service under any such rate schedule is available as a recourse rate for any Shipper that does not desire to negotiate a rate hereunder.
- 28.2 Definition: Negotiated rates shall be mutually agreed and set forth in writing. A negotiated rate is a rate (i) which is greater than the maximum rate, or (ii) which is less than the minimum rate, or (iii) which is determined from a formula where the rate arrived at could be above or below the maximum rate, or (iv) which uses a rate design other than the one used to establish the applicable recourse rate (e.g., straight fixed variable). A negotiated rate which involves a volumetric or usage rate may include a minimum quantity.
- 28.3 Capacity Allocation: In evaluating bids for firm service, in any capacity auction or in otherwise allocating capacity among competing requests for firm service where one or more bids uses a negotiated rate or negotiated rate formula, Southern Star will consider, in assigning value to such bid(s), only reservation or demand charge revenue or other revenue which is guaranteed to be received by Southern Star. Guaranteed revenue shall mean a volumetric or usage rate bid along with a minimum quantity commitment. For capacity evaluation purposes, the net present value of any such bid for firm service shall be capped by the net present value of the maximum applicable reservation rate for such service over the contract term bid. In performing a net present value evaluation of a negotiated rate bid proposing a volumetric or usage rate along with a minimum throughput commitment, Southern Star shall consider only the fixed costs proposed to be recovered through the volumetric or usage rate bid, in addition to any reservation rate included in the bid.
- 28.4 Capacity Release:
- (a) A negotiated rate shall not apply as a price cap for capacity release transactions under Section 11 of the General Terms and Conditions.
  - (b) Southern Star and a Releasing Shipper may, in connection with their agreement to a negotiated rate hereunder, agree upon payment obligations and credit mechanisms that vary from or are in addition to those set forth in Section 11.7 of the General Terms and Conditions.

## GENERAL TERMS AND CONDITIONS

### 28. NEGOTIATED RATES (Cont'd)

28.5 Filing Requirements: No later than the business day on which Southern Star commences service at a negotiated rate (or if the day on which Southern Star commences such service is not a business day, then the next business day after Southern Star commences such service), Southern Star will file with the Commission either its negotiated rate agreement or a numbered tariff sheet stating the name of the Customer, the actual negotiated rate or the formula used to calculate the rate, the applicable receipt and delivery points, the quantity of gas to be transported, the applicable Rate Schedule for the service and an affirmation that the negotiated rate agreement does not deviate in any material aspect from the applicable form of service agreement in Southern Star's tariff.

28.6 Accounting For Costs and Revenues: The allocation of costs to, and the recording of revenues from, service at negotiated rate(s) will follow Southern Star's normal practices associated with all of its services under this Tariff. Southern Star will maintain separate records of negotiated rate transactions for each billing period. These records shall include the volumes transported, the billing determinants, the rates charged and the revenue received associated with such transactions and surcharges. Southern Star will separately identify such transactions in Statements G, I and J (or their equivalents) filed in any general rate proceeding.

#### 28.7 Rate Treatment:

(a) Southern Star shall have the right to seek in future general rate proceedings a discount-type adjustment to recourse rates for negotiated rate agreements which shall only be allowed to the extent that Southern Star can meet the standards required of an affiliate discount-type adjustment including requiring that Southern Star shall have the burden of proving that any discount granted is required to meet competition. Southern Star shall be required to demonstrate that any discount-type adjustment for negotiated rate agreements does not have an adverse impact on recourse rate shippers by:

(1) Demonstrating that, in the absence of Southern Star's entering into such negotiated rate agreement providing for such discount, Southern Star would not have been able to contract for such capacity at any higher rate, and that recourse rates would otherwise be as high or higher than recourse rates which result after applying the discount adjustment; or

## GENERAL TERMS AND CONDITIONS

### 28. NEGOTIATED RATES (Cont'd)

#### 28.7 Rate Treatment (Cont'd):

- (2) Making another comparable showing that the negotiated rate discount contributes more fixed costs to the system than could have been achieved without the discount.

- (b) Southern Star shall also have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to negotiated rate agreements that were converted from pre-existing discount agreements to negotiated rate agreements, provided that the type of pre-existing service is not altered as a result of the conversion to a negotiated rate. In these situations, Southern Star may seek a discount-type adjustment based upon the greater of the negotiated rate revenues received or the discounted rate revenues which otherwise would have been received.

- 28.8 Limitations: This Section 28 does not authorize Southern Star to negotiate terms and conditions of service.

- 28.9 Right of First Refusal: For purposes of exercising rights to continue service pursuant to Section 6 of these General Terms and Conditions, the highest rate that the existing capacity holder must match if it desires to retain all or a portion of its capacity, is the applicable maximum tariff rate, including surcharges, for such service.

## GENERAL TERMS AND CONDITIONS

### 29. THIRD PARTY STORAGE TRANSACTIONS

#### 29.1 Applicability

This section 29 is applicable to transportation to and from third party storage facilities directly connected to Southern Star's system, where the storage operator has agreed in writing to be bound by these provisions.

#### 29.2 Accounting

- (a) Southern Star assesses fuel charges on gross receipts into the transmission system pursuant to rate schedules TSS, FTS, STS, and ITS. Therefore, to avoid assessing fuel charges twice, Southern Star will not assess fuel charges on gas received from third party storage facilities directly connected to Southern Star's system that is nominated to a transportation agreement, subject to the true-up provision in Section 29.3. If gas received from such facilities is nominated to a pooling agreement prior to being nominated to a transportation agreement; then such gas will be subject to fuel charges on the transportation agreement, as Southern Star cannot track such gas through a pool.
- (b) Southern Star assesses commodity transportation charges on quantities delivered pursuant to rate schedules TSS, FTS, STS, and ITS. Therefore, to avoid assessing commodity transportation charges twice, Southern Star will not assess commodity transportation charges on gas delivered to directly-connected third party storage facilities, subject to the true-up provision in Section 29.3.
- (c) If Southern Star enters into an OBA agreement with the third party storage operator, all accounting, billings and true-up adjustments will be based on scheduled quantities. If there is not an OBA agreement with the third party storage operator, all accounting, billings and true-up adjustments will be based on actual transportation quantities to and from such operator's facilities.

## GENERAL TERMS AND CONDITIONS

### 29. THIRD PARTY STORAGE TRANSACTIONS (Cont'd)

#### 29.3 Annual True-up Adjustment

- (a) The third party storage operators described in this section will be subject to an annual true-up adjustment to be calculated based on that operator's storage activity related to Southern Star's system through March 31 of each year. By April 30 of each year, the third party storage operator shall provide to Southern Star a complete accounting of storage activity for the 12-month period ended March 31. Such accounting shall include, but not be limited to, (1) a full monthly accounting of all gas injected into and withdrawn from the storage facility for all pipelines, gathering systems and any other sources connected to the storage facility, and (2) monthly working and cushion gas inventories.
- (b) The true-up adjustment will be calculated based on deliveries to and receipts from the directly-connected third party storage facility related to Southern Star's system for the 12-month period ended March 31. If deliveries to such facility exceed receipts from the same facility, Southern Star will invoice the third party storage operator for commodity transportation charges equal to the excess deliveries times the average of the maximum winter and maximum summer ITS rate for the area in which such facility is located. The third party storage operator may request to defer and potentially avoid payment to Southern Star by warranting and providing documentation to Southern Star that the excess deliveries remain in the storage facility. Southern Star, at its sole discretion, may accept or reject such request. Southern Star, acting reasonably, will not be unduly discriminatory in accepting or rejecting such requests. If actual receipts from the directly-connected third party storage facility exceed deliveries to such facility for the previous 12-month period, Southern Star

## GENERAL TERMS AND CONDITIONS

### 29. THIRD PARTY STORAGE TRANSACTIONS (Cont'd)

#### 29.3 Annual True-up Adjustment (Cont'd)

will assess fuel charges on the excess receipts by multiplying the excess receipts times the current fuel rate applicable to the area in which the directly-connected third party storage facility is located. Southern Star will recover the fuel charge by retaining the first gas received from such facility following the month of the true-up calculation. The third party storage operator may request to defer and potentially avoid the fuel charges to Southern Star by warranting and providing documentation to Southern Star that the excess receipts from inventory in the storage facility originated from past excess deliveries into storage from the Southern Star system. Southern Star, acting reasonably, will not be unduly discriminatory in accepting or rejecting such requests.

## GENERAL TERMS AND CONDITIONS

### 30. AUCTION FOR STORAGE SERVICE SUBJECT TO MARKET-BASED RATES

Storage service subject to market-based rates shall be auctioned either via an interactive auction as described in Section 30.1 Interactive Auction for Storage Service Subject to Market-Based Rates or via an open season as described in Section 30.2 Open Season for Storage Service Subject to Market-Based Rates.

#### 30.1 Interactive Auction for Storage Service Subject to Market-Based Rates

- (a) The auction process for market-based storage service shall be initiated either (i) by Shippers seeking Firm Storage Service subject to market-based rate authority received in Docket No. CP10-2 under Rate Schedule FS1 or Interruptible Storage Service under Rate Schedule IS1, or (ii) by Southern Star seeking to sell Firm Storage Service subject to market-based rate authority received in Docket No. CP10-2 under Rate Schedule FS1 or Interruptible Storage Service under Rate Schedule IS1. A Shipper seeking such storage service can initiate the auction process by submitting a Request for Service and the parties agreeing on the minimum price and term of service. Southern Star can initiate the auction process by posting a notice to CSI announcing specifics of the capacity auction in accordance with the terms of paragraph (c), below.
- (b) Southern Star shall auction available FS1 and IS1 capacity via CSI. Southern Star will also post on CSI the following information: (i) the quantity of capacity available for the auction; (ii) the term for which the capacity is available for the auction; and (iii) a reserve price.
- (c) Southern Star will post a notice announcing the date of the interactive auction for the FS1 or IS1 storage capacity. This notice will outline the auction start time(s) and all steps necessary to participate/bid in the auction. For auctions of FS1 storage capacity, this notice shall not be less than 48 hours prior to the commencement of the auction. For auctions of IS1 storage capacity, Southern Star will post notice by 10:00 a.m. on the day of the auction. If a Shipper requests an auction, the parties will agree on a term and the minimum acceptable price for the capacity before the auction will be posted. If the parties are unable to agree on an acceptable price for the capacity, the shipper will select a term for the capacity being auctioned and the minimum acceptable price will be the cost-based reserve price as established in Docket No. CP10-2 or as adjusted in any subsequent filing.

## GENERAL TERMS AND CONDITIONS

### 30. AUCTION FOR STORAGE SERVICE SUBJECT TO MARKET-BASED RATES (Cont'd)

#### 30.1 Interactive Auction for Storage Service Subject to Market-Based Rates (Cont'd)

- (d) Before a Potential Shipper ("Bidder") can submit a bid, it must have satisfied Southern Star's credit requirements as set forth in Section 8.5 of these General Terms and Conditions.
- (e) Southern Star will accept bids for FS1 or IS1 capacity through an interactive auction conducted through CSI. If more than one Package of capacity has been noticed for auction, a separate auction will be conducted for each Package. For FS1 capacity, the Package will be auctioned within specified sequential time periods as set forth in the notice. For IS1 capacity, the Package will be auctioned during the bidding period of at least 10 minutes established by the notice.
  - (i) All bids shall be binding on the Bidder. A bid can be withdrawn during the bidding period.
  - (ii) If the total conforming bids do not meet the capacity being auctioned and Southern Star determines it is willing to accept bids with a reduced reserve price and/or term, Southern Star will initiate a new auction setting forth the capacity, term, and minimum acceptable bid.
  - (iii) At the end of the bid period, Southern Star will determine the "Winning Bid" based upon the bid(s) that has the highest rate per Dth, up to the total Package capacity. If Southern Star receives two or more equal bids that would qualify as the Winning Bid(s) for the capacity being auctioned, Southern Star will award to each Bidder its total bid. If the total capacity of the combined Winning Bids is greater than the total Package capacity available, Southern Star will allocate the volumes between Bidders based upon their pro rata Winning Bid volume.
  - (iv) Steps (i) through (iii) above will occur for each Package of FS1 or IS1 capacity and will be completed before the subsequent Package of capacity is auctioned. This process will continue until all Packages included in the notice have been auctioned.



## GENERAL TERMS AND CONDITIONS

### 30. AUCTION FOR STORAGE SERVICE SUBJECT TO MARKET-BASED RATES (Cont'd)

#### 30.1 Interactive Auction for Storage Service Subject to Market-Based Rates (Cont'd)

- (v) Southern Star shall notify the winning Bidder by telephone or email within one hour following the close of the auction. The winning Bidder shall, within one hour of notification, accept the capacity by notifying Southern Star by telephone or email. Any winning Bidder not accepting its bid prior to the one hour deadline will forfeit its capacity and Southern Star will award the forfeited capacity to the next highest Bidder. The next highest Bidder will then accept its capacity within one hour of notification or forfeit the capacity.
- (f) The winning Bidder shall, within 24 hours, execute a new service agreement setting forth the terms and conditions of the Winning Bid. The new service agreement will be provided to the Shipper before the close of business on the day the capacity has been awarded. If the winning Shipper fails to timely execute the new service agreement, it will be required to pay the difference between the contract rate (as established by the Winning Bid) and the price received for the capacity when it is resold in a subsequent auction multiplied by the volumes the winning Shipper matched. If the Shipper fails to timely execute the new service agreement, Southern Star shall have the ability to re-auction the capacity.
- (g) Southern Star shall post the results of the auction on CSI no later than the close of business on the business day following the day of the auction. The posting will include:
  - (i) name of winning Bidder(s);
  - (ii) Winning Bid rate(s);
  - (iii) duration of contract;
  - (iv) contract quantity;
  - (v) injection point and withdrawal point; and
  - (vi) any affiliate relationship between Southern Star and winning Bidder.

## GENERAL TERMS AND CONDITIONS

### 30. AUCTION FOR STORAGE SERVICE SUBJECT TO MARKET-BASED RATES (Cont'd)

#### 30.2 Open Season for Storage Service Subject to Market-Based Rates

- (a) Election to Use Open Season: Southern Star may elect to conduct an open season, rather than interactive auction, to sell unsubscribed storage capacity subject to market-based rates.
- (b) Notice: If Southern Star conducts such an open season it will post a notice of the open season on CSI to afford all potential Shippers an opportunity to acquire the capacity. Such notice will contain: (1) the quantity of capacity available; (2) term; (3) date(s) and time(s) of the open season; (4) steps necessary to participate; (5) criteria for determining the Winning Bid; and (6) any reserve price. Any award of capacity through an open season is subject to the requirements for service to commence as set forth in this Tariff, including Southern Star's creditworthiness requirements. Any potential Shipper wishing to purchase the capacity in an open season may participate in the open season. Southern Star will use non-discriminatory and objective posting, bidding and evaluation criteria, which evaluation criteria will be specified in the notice of open season, along with the details of what constitutes a valid bid request and details of when the successful Bidder(s), if any, will be identified by posting of a notice on CSI. Once an open season commences, all requests for service for the capacity available through the open season will be treated under this open season process.
- (c) Cost-Based Reserve Price: Southern Star reserves the right not to award capacity at less than a minimum acceptable price, which shall not be more than the cost-based reserve price. If no acceptable bids are received during an open season, Southern Star will post the capacity as unsubscribed capacity.
- (d) Binding Nature of Bids: All bids shall be binding on the Bidder. A bid can be withdrawn during the bidding period. If the total conforming bids do not meet the capacity being offered and Southern Star determines it is willing to accept bids with a reduced reserve price and/or term, Southern Star will initiate a new open season setting forth the capacity, term, and minimum acceptable bid. At the end of the bid period, Southern Star will determine the Winning Bid(s) based upon objective criteria stated in the open season notice. If Southern Star receives two or more equal bids that

## GENERAL TERMS AND CONDITIONS

### 30. AUCTION FOR STORAGE SERVICE SUBJECT TO MARKET-BASED RATES (Cont'd)

#### 30.2 Open Season for Storage Service Subject to Market-Based Rates (Cont'd)

would qualify as the Winning Bid(s) for the capacity being offered in the open season, Southern Star will award to each Bidder its total bid; provided however, if the total capacity of the combined Winning Bids is greater than the total Package capacity available, Southern Star will allocate the quantities between Bidders based upon their pro rata Winning Bid quantity.

- (e) Execution of Service Agreement: Southern Star shall notify the winning Bidder by telephone or email following the close of the open season as specified in the open season notice. The winning Bidder shall execute a new service agreement setting forth the terms and conditions of the Winning Bid. The new service agreement will be provided to the Shipper before the close of business on the day the capacity has been awarded. If the winning Shipper fails to execute the new service agreement within the time frame specified in the notice, Southern Star shall have the ability to re-market the capacity and the forfeiting winning Bidder will be required to pay the difference between the contract rate (as established by the Winning Bid) and the price received for the capacity when it is resold, either to the next highest bidder (if above the reserve price) or in a subsequent auction or open season, multiplied by the quantities such winning Bidder matched.
- (f) Posting Results of Open Season: Southern Star shall post the results of the open season on CSI no later than the close of business on the business day following the day when the Winning Bid(s) are determined as set forth in the open season notice. The posting will include:
  - (i) name of winning Bidder(s);
  - (ii) Winning Bid rate(s);
  - (iii) duration of contract;
  - (iv) contract quantity;
  - (v) injection point and withdrawal point; and
  - (vi) any affiliate relationship between Southern Star and winning Bidder.

## GENERAL TERMS AND CONDITIONS

### 31. SEPARATION OF ACCOUNTING FOR STORAGE SERVICES

Southern Star shall account for cost-based storage service under Rate Schedules FSS, ISS, TSS and STS separately from market-based rate storage service under Rate Schedules FS1 and IS1. Southern Star will establish and maintain separate logical meters to be utilized solely for FS1 and IS1 service. Nomination, scheduling and allocation for FS1 and IS1 shall be handled separately from cost-based services. As set forth in Rate Schedules FS1 and IS1, Southern Star has received approval to charge market-based rates for 4,000,000 Dth of storage capacity and 40,000 Dth/day of deliverability. Southern Star will limit the volume of storage capacity and deliverability available for FS1 and IS1 service subject to market-based rate authority received in Docket No. CP10-2 to these volumes.

## GENERAL TERMS AND CONDITIONS

### 32. MODERNIZATION CAPITAL COST RECOVERY MECHANISM (“CRM”)

This Section 32 applies to Shippers under Rate Schedules TSS, STS, FTS, ITS, FSS, and ISS (“Applicable Rate Schedules”). It establishes a separately tracked surcharge (“CRM Surcharge”) to recover Southern Star’s capital revenue requirements, as defined in Section 32.4(a) (“Capital Revenue Requirement”), incurred to modernize Southern Star’s system to improve system integrity, to enhance service reliability and flexibility, to satisfy emerging legal/regulatory requirements, and to improve safety and reduce risk (“Modernization Program”). The CRM Surcharge will apply to Shippers’ Maximum Daily Transportation Quantities under Rate Schedules FTS and TSS, to Maximum Daily Withdrawal Quantities for storage services under Rate Schedules TSS and FSS, to flowed overrun quantities under Rate Schedules TSS, FTS, and FSS, and to flowed quantities under Rate Schedules STS, ITS, and ISS. If Southern Star proposes any new cost-based rate schedule(s) during the Term of the CRM, Southern Star will file to include the new cost-based rate schedule(s) in the list of Applicable Rate Schedules subject to the CRM, provided that the application of the CRM to the new rate schedule(s) will not result in the same quantities being billed the same CRM Surcharge twice. The CRM will provide for the recovery of the Capital Revenue Requirement associated with Eligible Facilities placed into service by Southern Star during calendar years 2022, 2023, 2024, and 2025 (i.e., from January 1, 2022 through December 31, 2025).

#### 32.1 Term of CRM

The CRM established by this Section 32 will provide for the recovery of the Capital Revenue Requirement associated with Eligible Facilities placed into service by Southern Star from January 1, 2022 through December 31, 2025. The CRM will remain in effect until terminated pursuant to Section 32.5 below.

#### 32.2 Annual CRM Surcharge Filings

- (a) Southern Star will make a CRM Surcharge filing with the FERC on or before January 31, 2023 to be effective March 1, 2023, designed to recover the Capital Revenue Requirement related to Capital Costs incurred on Eligible Facilities placed into service during calendar year 2022. The CRM Surcharge established by this filing will be effective from March 1, 2023 through February 29, 2024.
- (b) Southern Star will make a CRM Surcharge filing with the FERC on or before January 31, 2024 to be effective March 1, 2024, designed to recover the Capital Revenue Requirement related to Capital Costs incurred on Eligible Facilities placed into service during calendar years 2022 and 2023. The revised CRM Surcharge established by this filing will be effective from March 1, 2024 through February 28, 2025. The revised CRM Surcharge filing will be adjusted (1) for changes in the Modernization Program revenue requirement, and (2) to refund any over-recovery or to recover any under-recovery from the preceding year that is

## GENERAL TERMS AND CONDITIONS

### 32. MODERNIZATION CAPITAL COST RECOVERY MECHANISM (CRM) (Cont'd)

#### 32.2 Annual CRM Surcharge Filings (Cont'd)

not the result of discounting or negotiated rate terms that waive the CRM Surcharge.

- (c) Southern Star will make a CRM Surcharge filing with the FERC on or before January 31, 2025 to be effective March 1, 2025, designed to recover the Capital Revenue Requirement related to Capital Costs incurred on Eligible Facilities placed into service during calendar years 2022, 2023, and 2024. The revised CRM Surcharge established by this filing will be effective from March 1, 2025 through February 28, 2026. The revised CRM Surcharge filing will be adjusted (1) for changes in the Modernization Program revenue requirement, and (2) to refund any over-recovery or to recover any under-recovery from the preceding year that is not the result of discounting or negotiated rate terms that waive the CRM Surcharge.
- (d) Southern Star will make a CRM Surcharge filing with the FERC on or before January 31, 2026 to be effective March 1, 2026, designed to recover the Capital Revenue Requirement related to Capital Costs incurred on Eligible Facilities placed into service during calendar years 2022, 2023, 2024 and 2025. The revised CRM Surcharge established by this filing will be effective from March 1, 2026 through October 31, 2026. The revised CRM Surcharge filing will be adjusted (1) for changes in the Modernization Program revenue requirement, and (2) to refund any over-recovery or to recover any under-recovery from the preceding year that is not the result of discounting or negotiated rate terms that waive the CRM Surcharge.
- (e) Southern Star shall identify in each annual CRM Surcharge filing, in the aggregate, (i) the number of discounted contracts entered into on or after the effective date of its filing in Docket No. RP21-778 that discount or waive the CRM Surcharge in whole or in part, (ii) the total dollar amounts of CRM Surcharge waived or discounted in such contracts, and (iii) the amount of the billing determinants subject to waiver or discount of the CRM Surcharge.
- (f) Challenges to Annual Cost Recovery Filings. Customers are entitled to challenge Southern Star's annual cost recovery filings on grounds that include but are not limited to: (i) whether the surcharge filing conforms to the provisions of the Stipulation and Agreement of Settlement filed to resolve Southern Star's general section 4 rate case filing in Docket No. RP21-778 ("Rate Case Settlement"); (ii) the calculation of the CRM

## GENERAL TERMS AND CONDITIONS

### 32. MODERNIZATION CAPITAL COST RECOVERY MECHANISM (CRM) (Cont'd)

#### 32.2 Annual CRM Surcharge Filings (Cont'd)

Surcharge rate; (iii) whether the costs are eligible for inclusion in the CRM Surcharge rate; (iv) the allocation of cost between Modernization Projects and expansion projects; and (v) whether the Eligible Facilities costs were prudently incurred, or the Modernization Program was prudently implemented.

#### 32.3 Eligibility

- (a) Eligible Facilities. "Eligible Facilities" have been defined in the Eligible Facilities Plan ("EFP") as filed by Southern Star in Appendix E of the Rate Case Settlement. In the first annual CRM Surcharge Filing, the CRM Surcharge will include the Capital Revenue Requirement related to capital costs on Eligible Facilities that are placed into service during the period from January 1, 2022 through December 31, 2022. Subsequent CRM Surcharge Filings will include the cumulative Capital Revenue Requirement related to capital costs incurred on Eligible Facilities from January 1, 2022 through the end of the prior calendar year.

During any year, either at the normal annual meeting or at a special meeting called for this purpose with at least fifteen days' prior notice, Southern Star may modify the EFP to include additional projects, substitute projects, and/or remove projects, subject to the Consensus Process to include additional projects and the CRM annual cost limits. Such meetings may be conducted virtually. If meetings are conducted in-person, an option for remote participation via videoconference technology shall be offered to the maximum extent practicable. "Consensus" is defined as a scenario in which customers representing 65% of the billing determinants that are paying the surcharge either support or do not oppose the proposed addition of a project(s); provided, however, as part of any such vote, that a negative vote of a State Commission or its authorized representative shall supersede the affirmative vote of any shipper(s) that the State Commission regulates, and the vote shall be tabulated as if each and every shipper that the State Commission regulates opposes the proposed change with the note that the State Commission opposed the proposed change. The voting procedure and proviso described in the foregoing sentence constitute the "Consensus Process"). If there is no Consensus, then Southern Star must exclude the proposed facilities from the CRM Surcharge.

## GENERAL TERMS AND CONDITIONS

### 32. MODERNIZATION CAPITAL COST RECOVERY MECHANISM (CRM) (Cont'd)

#### 32.3 Eligibility (Cont'd)

- (b) Annual Eligible Capital Cost Limit. The annual Eligible Capital Cost subject to the CRM will not exceed the following annual dollar limits: \$88 million in 2022, \$50 million in 2023, \$50 million in 2024, and \$50 million in 2025. If Southern Star exceeds the maximum cost limit in any year, Southern Star will treat the excess above the Annual Eligible Capital Cost as a capital maintenance cost.
- (c) Capital Maintenance Obligation. During calendar years 2022 through 2025, Southern Star will spend on capital maintenance (i.e., plant investment for maintenance and other projects that will not be included in the CRM and that will not be considered to be Eligible Facilities) no less than an amount equal to the combined depreciation and amortization expenses included in the applicable calendar year's FERC Form 2 Annual Filing ("Capital Maintenance Obligation"). As part of its annual CRM Surcharge filing, Southern Star shall provide a reconciliation of its actual capital maintenance expenditure with its prior year Form 2 depreciation and amortization expenses. If Southern Star spends less than the Capital Maintenance Obligation on capital maintenance in any calendar year, the difference will be used to reduce the plant investment included in the CRM.
- (d) Eligible Facilities Cost Exclusions. Unless otherwise agreed to pursuant to the CRM Settlement, costs incurred to increase the capacity of Southern Star's system to provide additional or incremental transportation service shall be excluded from Eligible Facilities. Operations and maintenance expenses shall also be excluded from Eligible Facilities.

#### 32.4 CRM Surcharge Calculation

- (a) Determination of Capital Revenue Requirement by Rate Area. In each annual CRM Surcharge filing, Southern Star will calculate the cumulative Capital Revenue Requirement related to Capital Costs of Eligible Facilities placed into service from January 1, 2022 through the end of the prior calendar year. A separate Capital Revenue Requirement associated with Eligible Facilities will be calculated for the Production Area, the Market Area and Storage based on the location or function of the projects as specified in the EFP.



## GENERAL TERMS AND CONDITIONS

### 32. MODERNIZATION CAPITAL COST RECOVERY MECHANISM (CRM) (Cont'd)

#### 32.4 CRM Surcharge Calculation (Cont'd)

For each Rate Area, Southern Star will determine the cumulative Eligible Capital Cost incurred during the CRM Term (i.e., gross plant). Southern Star will then subtract accumulated depreciation from the gross plant and adjust for accumulated deferred income taxes to determine the cumulative rate base associated with the Eligible Facilities. The Capital Revenue Requirement will then be derived by summing (1) the cumulative rate base associated with the Eligible Facilities multiplied by a factor (the "Rate Base Multiplier") that reflects pre-tax return and taxes other than income tax and (2) the cumulative gross plant associated with the Eligible Facilities multiplied by the applicable depreciation rate (from the Rate Case Settlement) and (3) for each CRM Surcharge Filing except the initial CRM Surcharge filing, any over- or under-recovery of the prior year's Capital Revenue Requirement. The Rate Base Multiplier will be 13.51%.

- (b) CRM Surcharge Calculation. After the cumulative Capital Revenue Requirement has been calculated for the Production Area, the Market Area, and Storage, Southern Star will calculate the CRM Surcharge across all current billing determinants associated with the Applicable Rate Schedules, excluding any incrementally priced expansion projects other than those that meet the criteria set forth in Section 32.4(c)(ii) (i.e., dual use expansion projects), which will be subject to the CRM Surcharge as provided in Section 32.4(c)(ii) and excluding any unprocessed quantities being delivered to the Jayhawk Plant for processing and further transportation on the Southern Star system. Provided, however, for purposes of Sections 32.4 and 32.5, current billing determinants will be subject to the following billing determinant floors as applicable (floors shall correspondingly be adjusted if the billing period is less than a full year): (i) a Production Area billing determinant floor of 523,946,130 Dth; (ii) a Market Area billing determinant floor of 630,614,342 Dth; and (iii) a Storage billing determinant floor of 388,868,449 Dth. If the billing determinants are lower than the floors set forth herein, Southern Star will impute billing determinants at the maximum applicable rate and the revenues that would be associated with such billing determinants to reflect the above-stated billing determinant levels in the calculation of the CRM Surcharge rates. For purposes of this section, current billing determinants means such actual billing determinants in (i) the prior calendar year for the filings to be effective March 1, 2023, 2024, and 2025 and (ii) the

## GENERAL TERMS AND CONDITIONS

### 32. MODERNIZATION CAPITAL COST RECOVERY MECHANISM (CRM) (Cont'd)

#### 32.4 CRM Surcharge Calculation (Cont'd)

eight-month period from March 2025 through October 2025 for the filing to be effective March 1, 2026. Southern Star will allocate the Capital Revenue Requirement across each Applicable Rate Schedule by deriving the CRM Surcharge on a per unit basis.

The CRM Surcharge for firm services with a reservation charge will be a reservation surcharge; the CRM Surcharge for interruptible services and firm services with a one-part rate will be a commodity surcharge. The volumetric CRM Surcharge for interruptible service shall equal the reservation CRM Surcharge for the corresponding firm service. The reservation CRM Surcharge for firm storage service shall be assessed as a deliverability charge only.

#### (c) Expansion Projects

- (i) General Rules. If Southern Star proposes an expansion and the facilities' costs are rolled-in under Commission policy, shippers on that expansion will pay the surcharge. If there is an expansion that will be incrementally priced, those shippers need not pay the surcharge on the incrementally priced MDQ. But, if there is an expansion that is dual use, supports reliability and an expansion, the costs of those facilities must be proportionally shared between the reliability and expansion purposes, as provided in Section 32.4(c)(ii).
- (ii) Dual Use Expansion Projects. If an expansion project is constructed concurrently with Eligible Facilities, the costs of such combined project shall be allocated between the Modernization Project and the expansion project on a pro-rata basis. Such allocation of costs shall not result in an allocation of Expansion Project costs to the Modernization Project. The pro rata allocation to the Modernization Project shall be determined by dividing the projected cost of constructing the Eligible Facilities Project on a stand-alone basis with the sum of (1) the projected cost of constructing the Eligible Facilities Project on a stand-alone basis and (2) the projected cost of constructing the Expansion Project on a stand-alone basis. For the purposes of this provision, an expansion project shall be deemed as directly utilizing an Eligible

## GENERAL TERMS AND CONDITIONS

### 32. MODERNIZATION CAPITAL COST RECOVERY MECHANISM (CRM) (Cont'd)

#### 32.4 CRM Surcharge Calculation (Cont'd)

Facility if the construction of the Eligible Facilities project and the expansion project concurrently results in a lower overall cost for the combined projects than constructing each project on a stand-alone basis, or if, in the absence of an Eligible Facility project, the expansion project would have required the installation of additional facilities in order to meet the project's needs. Additionally, billing determinants for new expansion projects will be added to the calculation of the CRM Surcharge if such expansion projects directly utilize Eligible Facilities, even if such Expansion Project would otherwise be incrementally priced (i.e., shippers paying an incremental rate will only pay the CRM Surcharge to the extent such shippers directly utilize Eligible Facilities).

#### 32.5 Termination, Roll-in, and Final True-up

- (a) Termination and Roll-in. The CRM Surcharge will be effective for a term commencing March 1, 2023 and ending on November 1, 2026 (i.e., the 2026 CRM Surcharge will terminate upon the proposed effective date of Southern Star's next NGA Section 4(e) general rate filing. The net capital costs of the Modernization Program Eligible Facilities will be rolled into rate base during Southern Star's next general NGA Section 4(e) rate case, to be effective November 1, 2026.
- (b) Final True-up. Upon termination of the CRM, Shippers under the Applicable Rate Schedules will remain subject to any unrecovered CRM Costs, and Southern Star will be required to refund any over-recovered CRM Costs. Any positive or negative balances in Southern Star's CRM account as of the expiration of the CRM will be charged or refunded to Shippers, as applicable, in the next monthly billing cycle that is at least 45 days after the termination of the CRM (i.e., in January 2027).

SHEET NOS. 323 – 399 ARE RESERVED FOR FUTURE USE

Contract ID: \_\_\_\_\_

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE TSS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky hereinafter referred to as "Southern Star," and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as "Shipper."

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Shipper agree as follows:

SECTION I  
QUANTITY

- 1.1 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule TSS, Southern Star agrees to receive such quantities of natural gas as Shipper may cause to be tendered to Southern Star at the Primary Receipt Point(s) designated on Exhibit A which are selected from Southern Star's Master Receipt Point List, as revised from time to time, for transportation and storage on a firm basis; provided, however, that in no event shall Southern Star be obligated to receive on any day in excess of the Maximum Daily Quantity (MDQ) for each Primary Receipt Point or of the Maximum Daily Transportation Quantity (MDTQ) for all Primary Receipt Points within any area, all as set forth on Exhibit A.
- 1.2 Southern Star agrees to deliver and Shipper agrees to accept (or cause to be accepted) at the Primary Delivery Point(s) taken from the Master Delivery Point List and designated on Exhibit B a quantity of natural gas thermally equivalent to the quantity received by Southern Star for transportation and withdrawn from storage as provided in Section 1.3 hereunder less appropriate reductions for fuel and loss as provided in Southern Star's Rate Schedule TSS; provided, however, that Southern Star shall not be obligated to deliver on any day quantities in excess of the MDQ for each Primary Delivery Point or in excess of the MDTQ within any area for all Primary Delivery Points, all as set forth on Exhibit B.

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE TSS

- 1.3 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule TSS, Southern Star agrees to (a) inject and store such quantities of natural gas up to the Maximum Storage Quantity (MSQ) and the Maximum Daily Injection Quantity (MDIQ) as Shipper may cause to be tendered to Southern Star for injection into storage, less appropriate reductions for fuel and loss, and (b) withdraw such quantities of natural gas up to Shipper's gas in storage and the Maximum Daily Withdrawal Quantity (MDWQ) reflected on Exhibit C, all on a firm basis.

SECTION II  
DELIVERY POINT(S) AND DELIVERY PRESSURE

- 2.1 Natural gas to be delivered hereunder by Southern Star to or on behalf of Shipper shall be delivered at the outlet side of the measuring station(s) at or near the Delivery Point(s) designated on Exhibit B at Southern Star's line pressure existing at such Delivery Point(s).

SECTION III  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 Shipper shall pay Southern Star each month for all service rendered hereunder the then-effective, applicable rates and charges under Southern Star's Rate Schedule TSS, as such rates and charges and Rate Schedule TSS may hereafter be modified, supplemented, superseded or replaced generally or as to the service hereunder. Shipper agrees that Southern Star shall have unilateral right from time to time to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service hereunder, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions incorporated by reference in such rate schedule(s); provided, however, Shipper shall have the right to protest any such changes.

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE TSS

- 3.2 This Agreement in all respects is subject to the provisions of Rate Schedule TSS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule TSS, all of which are by reference made a part hereof.

SECTION IV  
TERM

- 4.1 This Agreement shall become effective \_\_\_\_\_ and shall continue in full force and effect until \_\_\_\_\_.
- 4.2 This Agreement may be suspended or terminated by Southern Star in the event Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Shipper in accord with Section 18 of the General Terms and Conditions. Suspension or termination of this Agreement shall not excuse Shipper's obligation to pay all demand and other charges for the original term of the Agreement.

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE TSS

SECTION V  
NOTICES

- 5.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.



FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE TSS

SECTION VI  
MISCELLANEOUS

- 6.1 As of the date of execution of Exhibits A, B, and C attached to this Agreement, such executed exhibits shall be incorporated by reference as part of this Agreement. The parties may amend Exhibits A, B, and C by mutual agreement, which amendment shall be reflected in a revised Exhibit A, B, and C and shall be incorporated by reference as part of this Agreement.
- 6.2 Any Service Agreements under Rate Schedule TSS shall not cover service under both TSS-P and TSS-M.
- 6.3 OTHER THAN AS MAY BE SET FORTH HEREIN, SOUTHERN STAR MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

*[If and to the extent applicable]*

- 6.4 This Agreement supersedes and cancels, as of \_\_\_\_\_, the contract(s) between the parties hereto as described below:

\_\_\_\_\_.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

_____ [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)

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE TSS

**EXHIBIT A: PRIMARY RECEIPT POINT(S)**

To Firm Contract No. \_\_\_\_\_ Dated \_\_\_\_\_  
Between Southern Star Central Gas Pipeline, Inc.  
And \_\_\_\_\_

_____ AREA		EXHIBIT EFFECTIVE DATE: _____				
<u>Location Name</u>	<u>Location</u>	<u>Line Segment</u>	<u>Sec-Twn-Rng</u>	<u>County</u>	<u>State</u>	<u>MDQ (Dth/d)</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
MDTQ _____ Dth/d					<b>Total*</b>	_____

_____ [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 _____

\*The Sum of the Primary Receipt Point MDQs must add up to the MDTQ.

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE TSS

**EXHIBIT B: PRIMARY DELIVERY POINT(S)**

To Firm Contract No. \_\_\_\_\_ Dated \_\_\_\_\_  
Between Southern Star Central Gas Pipeline, Inc.  
And \_\_\_\_\_

_____ AREA		EXHIBIT EFFECTIVE DATE: _____					
<u>Location Name</u>	<u>Location</u>	<u>Line Segment</u>	<u>Sec-Twn-Rng</u>	<u>County</u>	<u>State</u>	<u>MDQ (Dth/d)</u>	<u>MDP</u>
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
MDTQ _____	Dth/d _____					Total* _____	_____

_____ [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 _____

\*The Sum of the Primary Delivery Point MDQs must add up to the MDTQ.

MDP Detail by Meter:

Location	Meter	MDP (Psig)
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE TSS

**EXHIBIT C: STORAGE QUANTITIES**

To Firm Contract No. \_\_\_\_\_ Dated \_\_\_\_\_  
Between Southern Star Central Gas Pipeline, Inc.  
And \_\_\_\_\_

**EXHIBIT EFFECTIVE DATE:** \_\_\_\_\_

**Storage Quantities**

Maximum Daily Withdrawal Quantity: \_\_\_\_\_

Maximum Storage Quantity: \*\* \_\_\_\_\_

\_\_\_\_\_ [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 \_\_\_\_\_

\*\*Maximum Daily Withdrawal Quantity times 33.

Contract ID: \_\_\_\_\_

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE STS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky hereinafter referred to as "Southern Star," and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as "Shipper."

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Shipper agree as follows:

SECTION I  
QUANTITY

- 1.1 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule STS, Southern Star agrees to receive such quantities of natural gas as Shipper may cause to be tendered to Southern Star at the Primary Receipt Point(s) designated on Exhibit A which are selected from Southern Star's Master Receipt Point List, as revised from time to time, for transportation and storage on a firm basis; provided, however, that in no event shall Southern Star be obligated to receive on any day in excess of the Maximum Daily Quantity (MDQ) for each Primary Receipt Point or of the Maximum Daily Transportation Quantity (MDTQ) for all Primary Receipt Points within any area, all as set forth on Exhibit A.
- 1.2 Southern Star agrees to deliver and Shipper agrees to accept (or cause to be accepted) at the Primary Delivery Point(s) taken from the Master Delivery Point List and designated on Exhibit C a quantity of natural gas thermally equivalent to the quantity received by Southern Star for transportation and withdrawn from storage as provided in Section 1.2 hereunder less appropriate reductions for fuel and loss as provided in Southern Star's Rate Schedule STS; provided, however, that Southern Star shall not be obligated to deliver on any day in excess of the MDQ for each Primary Delivery Point or of the MDTQ within any area for all Primary Delivery Points, all as set forth on Exhibit B.

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE STS

- 1.3 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule STS, Southern Star agrees to (a) inject and store such quantities of natural gas up to the Maximum Storage Quantity (MSQ) and the Maximum Daily Injection Quantity (MDIQ) as Shipper may cause to be tendered to Southern Star for injection into storage, less appropriate reductions for fuel and loss, and (b) withdraw such quantities of natural gas up to Shipper's gas in storage and the Maximum Daily Withdrawal Quantity (MDWQ) reflected on Exhibit C, all on a firm basis.

SECTION II  
DELIVERY POINT(S) AND DELIVERY PRESSURE

- 2.1 Natural gas to be delivered hereunder by Southern Star to or on behalf of Shipper shall be delivered at the outlet side of the measuring station(s) at or near the Delivery Point(s) designated on Exhibit B at Southern Star's line pressure existing at such Delivery Point(s).

SECTION III  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 Shipper shall pay Southern Star each month for all service rendered hereunder the then-effective, applicable rates and charges under Southern Star's Rate Schedule STS, as such rates and charges and Rate Schedule STS may hereafter be modified, supplemented, superseded or replaced generally or as to the service hereunder. Shipper agrees that Southern Star shall have the unilateral right from time to time to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service hereunder, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions incorporated by reference in such rate schedule(s); provided, however, Shipper shall have the right to protest any such changes.

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE STS

- 3.2 This Agreement in all respects is subject to the provisions of Rate Schedule STS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule STS, all of which are by reference made a part hereof.

SECTION IV  
TERM

- 4.1 This Agreement shall become effective \_\_\_\_\_ and shall continue in full force and effect until \_\_\_\_\_.
- 4.2 This Agreement may be suspended or terminated by Southern Star in the event Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Shipper in accord with Section 18 of the General Terms and Conditions. Suspension or termination of this Agreement shall not excuse Shipper's obligation to pay all demand and other charges for the original term of the Agreement.

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE STS

SECTION V  
NOTICES

- 5.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.



FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE STS

SECTION VI  
MISCELLANEOUS

- 6.1 As of the date of execution of Exhibits A, B, and C attached to this Agreement, such executed exhibits shall be incorporated by reference as part of this Agreement. The parties may amend Exhibits A, B, and C by mutual agreement, which amendment shall be reflected in a revised Exhibit A, B, and C and shall be incorporated by reference as part of this Agreement.
- 6.2 Any Service Agreements under Rate Schedule STS shall not cover service under both STS-P and STS-M.
- 6.3 OTHER THAN AS MAY BE SET FORTH HEREIN, SOUTHERN STAR MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

*[If and to the extent applicable]*

- 6.4 This Agreement supersedes and cancels, as of \_\_\_\_\_, the contract(s) between the parties hereto as described below:

\_\_\_\_\_.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

_____ [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)

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE STS

**EXHIBIT A: PRIMARY RECEIPT POINT(S)**

To Firm Contract No. \_\_\_\_\_ Dated \_\_\_\_\_  
Between Southern Star Central Gas Pipeline, Inc.  
And \_\_\_\_\_

_____ AREA		EXHIBIT EFFECTIVE DATE: _____				
<u>Location Name</u>	<u>Location</u>	<u>Line Segment</u>	<u>Sec-Twn-Rng</u>	<u>County</u>	<u>State</u>	<u>MDQ (Dth/d)</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
MDTQ _____ Dth/d					Total*	_____

_____ [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 _____

\*The Sum of the Primary Receipt Point MDQs must add up to the MDTQ.

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE STS

**EXHIBIT B: PRIMARY DELIVERY POINT(S)**

To Firm Contract No. \_\_\_\_\_ Dated \_\_\_\_\_

Between Southern Star Central Gas Pipeline, Inc.

And \_\_\_\_\_

\_\_\_\_\_ **AREA** **EXHIBIT EFFECTIVE DATE:** \_\_\_\_\_

<u>Location Name</u>	<u>Location</u>	<u>Line Segment</u>	<u>Sec-Twn-Rng</u>	<u>County</u>	<u>State</u>	<u>MDQ (Dth/d)</u>	<u>MDP</u>
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
MDTQ _____	Dth/d _____					Total* _____	_____

_____ [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 _____

\*The Sum of the Primary Delivery Point MDQs must add up to the MDTQ.

MDP Detail by Meter:

Location	Meter	MDP (Psig)
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF TRANS-STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE STS

**EXHIBIT C: STORAGE QUANTITIES**

To Firm Contract No. \_\_\_\_\_ Dated \_\_\_\_\_  
Between Southern Star Central Gas Pipeline, Inc.  
And \_\_\_\_\_

**EXHIBIT EFFECTIVE DATE:** \_\_\_\_\_

**Storage Quantities**

Maximum Daily Withdrawal Quantity: \_\_\_\_\_  
Maximum Storage Quantity: \*\* \_\_\_\_\_

\_\_\_\_\_ [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 \_\_\_\_\_

\*\*Maximum Daily Withdrawal Quantity times 33.

Contract ID: \_\_\_\_\_

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE FTS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky, hereinafter referred to as "Southern Star," and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as "Shipper."

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Shipper agree as follows:

SECTION I  
QUANTITY TO BE TRANSPORTED

- 1.1 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule FTS, Southern Star agrees to receive such quantities of natural gas as Shipper may cause to be tendered to Southern Star at the Primary Receipt Point(s) designated on Exhibit(s) A which are selected from Southern Star's Master Receipt Point List(s), as revised from time to time, for transportation on a firm basis; provided, however, that in no event shall Southern Star be obligated to receive on any day in excess of the Maximum Daily Quantity (MDQ) for each Primary Receipt Point or of the Maximum Daily Transportation Quantity (MDTQ) for Primary Receipt Points within any area, all as set forth on Exhibit(s) A.
- 1.2 Southern Star agrees to deliver and Shipper agrees to accept (or cause to be accepted) at the Primary Delivery Point(s) taken from the Master Delivery Point List(s) and designated on Exhibit(s) B a quantity of natural gas thermally equivalent to the quantity received by Southern Star for transportation hereunder less appropriate reductions for fuel and loss as provided in Southern Star's Rate Schedule FTS; provided, however, that Southern Star shall not be obligated to deliver on any day in excess of the MDQ for each Primary Delivery Point or of the MDTQ for all Primary Delivery Points within any area, all as set forth on Exhibit(s) B.

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE FTS

SECTION II  
DELIVERY POINT(S) AND DELIVERY PRESSURE

- 2.1 Natural gas to be delivered hereunder by Southern Star to or on behalf of Shipper shall be delivered at the outlet side of the measuring station(s) at or near the Delivery Point(s) designated on Exhibit(s) B at Southern Star's line pressure existing at such Delivery Point(s).

SECTION III  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 Shipper shall pay Southern Star each month for all service rendered hereunder the then-effective, applicable rates and charges under Southern Star's Rate Schedule FTS, as such rates and charges and Rate Schedule FTS may hereafter be modified, supplemented, superseded or replaced generally or as to the service hereunder. Shipper agrees that Southern Star shall have the unilateral right from time to time to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service hereunder, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions incorporated by reference in such rate schedule(s); provided, however, Shipper shall have the right to protest any such changes.
- 3.2 This Agreement in all respects is subject to the provisions of Rate Schedule FTS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule FTS, all of which are by reference made a part hereof.

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE FTS

SECTION IV  
TERM

- 4.1 This Agreement shall become effective \_\_\_\_\_ and shall continue in full force and effect until \_\_\_\_\_.
- 4.2 This Agreement may be suspended or terminated by Southern Star in the event Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Shipper in accord with Section 18 of the General Terms and Conditions. Suspension or termination of this Agreement shall not excuse Shipper's obligation to pay all demand and other charges for the original term of the Agreement.

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE FTS

SECTION V  
NOTICES

- 5.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.



FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE FTS

SECTION VI  
MISCELLANEOUS

- 6.1 As of the date of execution of Exhibits A and B attached to this Agreement, such executed exhibits shall be incorporated by reference as part of this Agreement. The parties may amend Exhibits A and B by mutual agreement, which amendment shall be reflected in revised Exhibits A and B and shall be incorporated by reference as part of this Agreement.
- 6.2 Any Service Agreement under Rate Schedule FTS may cover transportation in the Production Area and/or the Market Area. If one service agreement covers both Production and Market Areas, Exhibits A and B for each area shall be attached to the service agreement.
- 6.3 OTHER THAN AS MAY BE SET FORTH HEREIN, SOUTHERN STAR MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

*[If and to the extent applicable]*

- 6.4 This Agreement supersedes and cancels, as of \_\_\_\_\_, the contract(s) between the parties hereto as described below:

\_\_\_\_\_.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

_____ [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)

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE FTS

**EXHIBIT A: PRIMARY RECEIPT POINT(S)**

To Firm Contract No. \_\_\_\_\_ Dated \_\_\_\_\_  
Between Southern Star Central Gas Pipeline, Inc.  
And \_\_\_\_\_

_____ AREA		EXHIBIT EFFECTIVE DATE: _____				
<u>Location Name</u>	<u>Location</u>	<u>Line Segment</u>	<u>Sec-Twn-Rng</u>	<u>County</u>	<u>State</u>	<u>MDQ (Dth/d)</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
MDTQ _____ Dth/d						Total* _____

_____ [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 _____

\*The Sum of the Primary Receipt Point MDQs must add up to the MDTQ.

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE FTS

**EXHIBIT B: PRIMARY DELIVERY POINT(S)**

To Firm Contract No. \_\_\_\_\_ Dated \_\_\_\_\_  
Between Southern Star Central Gas Pipeline, Inc.  
And \_\_\_\_\_

_____ AREA		EXHIBIT EFFECTIVE DATE: _____					
<u>Location Name</u>	<u>Location</u>	<u>Line Segment</u>	<u>Sec-Twn-Rng</u>	<u>County</u>	<u>State</u>	<u>MDQ (Dth/d)</u>	<u>MDP</u>
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
MDTQ _____	Dth/d _____					Total* _____	_____

_____ [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 _____

\*The Sum of the Primary Delivery Point MDQs must add up to the MDTQ.

MDP Detail by Meter:

Location	Meter	MDP (Psig)
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

Second Revised Sheet No. 423  
Superseding  
First Revised Sheet No. 423

SHEET NOS. 423 – 429 ARE RESERVED FOR FUTURE USE

Contract ID: \_\_\_\_\_

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE ITS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky, hereinafter referred to as "Southern Star," and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as "Shipper."

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Shipper agree as follows:

SECTION I  
QUANTITY TO BE TRANSPORTED

- 1.1 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule ITS, Southern Star agrees to receive such quantities of natural gas as Shipper may cause to be tendered to Southern Star at Receipt Point(s) selected from Southern Star's Master Receipt Point List(s), as revised from time to time, and agrees to deliver and Shipper agrees to accept (or cause to be accepted) at Delivery Point(s) selected from Southern Star's Master Delivery Point List(s), as revised from time to time, a quantity of natural gas thermally equivalent to the quantity received by Southern Star for transportation hereunder, less appropriate reductions for fuel and loss; provided, however, that Southern Star shall not be obligated to deliver on any day in excess of the Maximum Daily Transportation Quantity (MDTQ) for each area, all as set forth below:

The Maximum Daily Transportation Quantities under this ITS agreement are:

Production Area MDTQ: \_\_\_\_\_ Dth/D and  
Market Area MDTQ: \_\_\_\_\_ Dth/D

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE ITS

SECTION II  
DELIVERY POINT(S) AND DELIVERY PRESSURES

- 2.1 Natural gas delivered hereunder by Southern Star to or on behalf of Shipper shall be received at the outlet side of the measuring station(s) at or near the Delivery Point(s) designated on Southern Star's Master Delivery Point List(s) at Southern Star's line pressure at such Delivery Point(s).

SECTION III  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 Shipper shall pay Southern Star each month for all service rendered hereunder the then-effective, applicable rates and charges under Southern Star's Rate Schedule ITS, as such rates and charges and Rate Schedule ITS may hereafter be modified, supplemented, superseded or replaced generally or as to the service hereunder.
- 3.2 Shipper agrees that Southern Star shall have the unilateral right from time to time to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service hereunder, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions incorporated by reference in such rate schedule(s); provided, however, Shipper shall have the right to protest any such changes.
- 3.3 This Agreement in all respects is subject to the provisions of Rate Schedule ITS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule ITS, all of which are by reference made a part hereof.

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE ITS

SECTION IV  
TERM

- 4.1 This Agreement 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 \_\_\_\_\_ and month to month thereafter, unless either party gives the other party at least thirty (30) days written notice to terminate the agreement.
- 4.2 This Agreement may be suspended or terminated by Southern Star in the event Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Shipper in accordance with Section 18 of the General Terms and Conditions.

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE ITS

SECTION V  
NOTICES

- 5.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.



FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE ITS

SECTION VI  
MISCELLANEOUS

- 6.1 Any Service Agreement under Rate Schedule ITS may cover transportation in the Production Area and/or the Market Area. If one service agreement covers both Production and Market Areas, the MDTQ for each area will be stated in Section 1.1.
- 6.2 OTHER THAN AS MAY BE SET FORTH HEREIN, SOUTHERN STAR MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

*[If and to the extent applicable]*

- 6.3 This Agreement supersedes and cancels, as of \_\_\_\_\_, the contract(s) between the parties hereto as described below:

\_\_\_\_\_.

FORM OF TRANSPORTATION SERVICE AGREEMENT  
UNDER RATE SCHEDULE ITS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

_____ [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)

Contract ID: \_\_\_\_\_

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FSS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky, hereinafter referred to as “Southern Star”, and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as “Shipper”.

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Shipper agree as follows.

SECTION I  
SERVICE TO BE RENDERED

- 1.1 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule FSS, Southern Star agrees to receive from Shipper under a Rate Schedule FTS or ITS Service Agreement for storage, inject into storage for Shipper's account, store, withdraw from storage on a firm basis and deliver to Shipper for transportation under a Rate Schedule FTS or ITS Service Agreement quantities of natural gas as designated on Exhibit A up to the maximum quantities set forth on Exhibit A. All quantities injected into storage, stored, and withdrawn from storage shall be net of appropriate reductions for fuel and loss.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FSS

SECTION II  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 2.1 Shipper shall pay Southern Star each month for all service rendered hereunder the then-effective, applicable rates and charges under Southern Star's Rate Schedule FSS, as such rates and charges and Rate Schedule FSS may hereafter be modified, supplemented, superseded or replaced generally or as to the service hereunder. Shipper agrees that Southern Star shall have the unilateral right from time to time to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service hereunder, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions incorporated by reference in such rate schedule(s); provided, however, Shipper shall have the right to protest any such changes.
- 2.2 This Agreement in all respects is subject to the provisions of Rate Schedule FSS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule FSS, all of which are by reference made a part hereof.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FSS

SECTION III  
TERM

- 3.1 This agreement shall become effective \_\_\_\_\_ and shall continue in full force and effect until \_\_\_\_\_.
- 3.2 This Agreement may be suspended or terminated by Southern Star in the event Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Shipper in accord with Section 18 of the General Terms and Conditions. Suspension or termination of this Agreement shall not excuse Shipper's obligation to pay all demand and other charges for the original term of the Agreement.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FSS

SECTION IV  
NOTICES

- 4.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FSS

SECTION V  
MISCELLANEOUS

- 5.1 As of the effective date of execution of Exhibit A attached to this Agreement, such executed exhibit is hereby incorporated by reference as part of this Agreement. The parties may amend Exhibit A by mutual agreement, which amendment shall be reflected in a revised Exhibit A and shall be incorporated by reference as part of this Agreement.
- 5.2 OTHER THAN AS MAY BE SET FORTH HEREIN, SOUTHERN STAR MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

*[If and to the extent applicable]*

- 5.3 This Agreement supersedes and cancels, as of \_\_\_\_\_, the contract(s) between the parties hereto as described below:

\_\_\_\_\_.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FSS

IN WITNESS THEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

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



FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FSS

EXHIBIT A

TO

FIRM STORAGE SERVICE AGREEMENT \_\_\_\_\_

Dated \_\_\_\_\_

Between  
Southern Star Central Gas Pipeline, Inc.  
and  
\_\_\_\_\_

Maximum Daily Withdrawal Quantity: \_\_\_\_\_

Maximum Storage Quantity\*: \_\_\_\_\_

Area (Production or Market): \_\_\_\_\_

Effective Date of this Exhibit A: \_\_\_\_\_

Supersedes Exhibit A of Effective Date: \_\_\_\_\_

\_\_\_\_\_ [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 \_\_\_\_\_

\*Equals the Maximum Daily Withdrawal Quantity times 33.

Contract ID: \_\_\_\_\_

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE ISS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky, hereinafter referred to as “Southern Star”, and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as “Shipper”.

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Shipper agree as follows:

SECTION I  
SERVICE TO BE RENDERED

- 1.1 Subject to the provisions of this Agreement and of Rate Schedule ISS, Southern Star agrees to receive from Shipper under a Rate Schedule FTS or ITS Service Agreement for storage, inject into storage for Shipper’s account, store, withdraw from storage on an interruptible basis and deliver to Shipper quantities of natural gas for transportation under a Rate Schedule FTS or ITS Service Agreement up to a Maximum Storage Quantity of \_\_\_\_\_ DTH. All quantities injected into storage, stored, and withdrawn from storage shall be net of appropriate reductions for fuel and loss.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE ISS

SECTION II  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 2.1 Shipper shall pay Southern Star each month for all service rendered hereunder in accordance with Southern Star's Rate Schedule ISS, or as such rates and charges and Rate Schedule ISS may hereafter be modified, supplemented, superseded or replaced generally or as to the service hereunder. Shipper agrees that Southern Star shall have the unilateral right from time to time to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service hereunder, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions incorporated by reference in such rate schedule(s); provided, however, Shipper shall have the right to protest any such changes.
- 2.2 This Agreement in all respects is subject to the provisions of Rate Schedule ISS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule ISS, all of which are by reference made a part hereof.

SECTION III  
TERM

- 3.1 This Agreement 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 \_\_\_\_\_ and month to month thereafter, unless either party gives the other party at least thirty (30) days written notice to terminate the agreement.
- 3.2 This Agreement may be suspended or terminated by Southern Star in the event Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Shipper in accord with Section 18 of the General Terms and Conditions. Suspension or termination of this Agreement shall not excuse Shipper's obligation to pay all demand and other charges for the original term of the Agreement.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE ISS

SECTION IV  
NOTICES

- 4.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE ISS

SECTION V  
MISCELLANEOUS

- 5.1 As of the effective date of execution of Exhibit A attached to this Agreement, such executed exhibit is hereby incorporated by reference as part of this Agreement. The parties may amend Exhibit A by mutual agreement, which amendment shall be reflected in a revised Exhibit A and shall be incorporated by reference as a part of this Agreement.
- 5.2 OTHER THAN AS MAY BE SET FORTH HEREIN, THE COMPANY MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

*[If and to the extent applicable]*

- 5.3 This Agreement supersedes and cancels, as of \_\_\_\_\_, the contract(s) between the parties hereto as described below:

\_\_\_\_\_.

IN WITNESS THEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

_____ [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)

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE ISS

EXHIBIT A

TO

INTERRUPTIBLE STORAGE SERVICE AGREEMENT \_\_\_\_\_

Dated \_\_\_\_\_

Between  
Southern Star Central Gas Pipeline, Inc.  
and  
\_\_\_\_\_

Maximum Daily Withdrawal Quantity: \_\_\_\_\_

Maximum Storage Quantity\*: \_\_\_\_\_

Area (Production or Market): \_\_\_\_\_

Effective Date of this Exhibit A: \_\_\_\_\_

Supersedes Exhibit A of Effective Date: \_\_\_\_\_

\_\_\_\_\_ [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 \_\_\_\_\_

\*Cannot exceed 45 times the Maximum Daily Withdrawal Quantity.

Contract ID: \_\_\_\_\_

FORM OF SERVICE AGREEMENT  
UNDER RATE SCHEDULE PS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky, hereinafter referred to as "Southern Star," and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as "Pooling Shipper."

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Pooling Shipper agree as follows:

SECTION I  
QUANTITY TO BE POOLED

- 1.1 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule PS, Southern Star agrees to accept such quantities of natural gas as Pooling Shipper may nominate from the Receipt Point(s) on Southern Star's Master Receipt Point List(s) in the same area, as revised from time to time, into a Production Area pool and/or the Market Area Pool.

FORM OF SERVICE AGREEMENT  
UNDER RATE SCHEDULE PS

SECTION II  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 2.1 Pooling Shipper shall pay Southern Star the applicable imbalance charges under Southern Star's Rate Schedule PS, Section 3(f).
- 2.2 Pooling Shipper agrees that Southern Star shall have the unilateral right from time to time to file with the appropriate regulatory authority and make effective changes in (a) the rate schedule(s) pursuant to which service hereunder is rendered, or (b) any provision of the General Terms and Conditions incorporated by reference in such rate schedule(s); provided, however, Pooling Shipper shall have the right to protest any such changes.
- 2.3 This Agreement in all respects is subject to the provisions of Rate Schedule PS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule PS, all of which are by reference made a part hereof.

SECTION III  
TERM

- 3.1 This Agreement 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 \_\_\_\_\_ and month to month thereafter, unless either party gives the other party at least thirty (30) days written notice to terminate the agreement.
- 3.2 This Agreement may be suspended or terminated by Southern Star in the event Pooling Shipper fails to pay all of the amount of any bill for imbalance charges rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give Pooling Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Pooling Shipper in accordance with Section 18 of the General Terms and Conditions.



FORM OF SERVICE AGREEMENT  
UNDER RATE SCHEDULE PS

SECTION IV  
NOTICES

- 4.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To Pooling Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.

FORM OF SERVICE AGREEMENT  
UNDER RATE SCHEDULE PS

SECTION V  
MISCELLANEOUS

- 5.1 Any Service Agreement under Rate Schedule PS may cover service in the Production Area and/or the Market Area.
- 5.2 OTHER THAN AS MAY BE SET FORTH HEREIN, SOUTHERN STAR MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

*[If and to the extent applicable]*

- 5.3 This Agreement supersedes and cancels, as of \_\_\_\_\_, the contract(s) between the parties hereto as described below:

\_\_\_\_\_.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

_____ [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)

Contract ID: \_\_\_\_\_

FORM OF SERVICE AGREEMENT  
UNDER RATE SCHEDULE PLS

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky, hereinafter referred to as "Southern Star," and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as "PLS Shipper."

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and PLS Shipper agree as follows:

SECTION I  
GAS SERVICE

- 1.1 **Parking Service:** Subject to the terms and provisions of this Agreement (including any Service Order(s) attached as Exhibit A hereto) and of Southern Star's Rate Schedule PLS, PLS Shipper agrees to deliver or cause gas to be delivered to Southern Star and Southern Star agrees to (a) the receipt of gas (Parked Quantity) up to the maximum daily quantity specified in the executed Service Order, on behalf of PLS Shipper, at the available Point(s) of Service on Southern Star's system; (b) hold the Parked Quantity of Southern Star's system; and (c) deliver, upon nomination by PLS Shipper, the Parked Quantity to PLS Shipper at the available Point(s) of Service. PLS Shipper shall make any necessary arrangements with Southern Star or third parties to receive gas from or deliver gas to Southern Star at the available Point(s) of Service; provided, however, that such arrangements shall be compatible with the operating conditions of Southern Star's pipeline system and shall provide for coordinated scheduling with Southern Star.
- 1.2 **Loan Service:** Subject to the terms and provisions of this Agreement (including any Service Order(s) attached as Exhibit B hereto) and of Southern Star's Rate Schedule PLS, PLS Shipper agrees to receive or cause gas to be received from Southern Star and Southern Star agrees to (a) advance to PLS Shipper a quantity of gas (Loaned Quantity) up the maximum daily quantity specified in the executed Service Order, at the available Point(s) of Service; and (b) the receipt of Southern Star of PLS Shipper's return of the Loaned Quantity at the available Point(s) of Service. PLS Shipper shall make any necessary arrangements with Southern Star or third parties to receive gas from or deliver gas to Southern Star at the available Point(s) of Service; provided, however, that such arrangements shall be compatible with the operating conditions of Southern Star's pipeline system and shall provide for coordinated scheduling with Southern Star.

FORM OF SERVICE AGREEMENT  
UNDER RATE SCHEDULE PLS

- 1.3 For each of PLS Shipper's Parking or Loan Service transactions with Southern Star, PLS Shipper and Southern Star shall execute a Service Order in the form attached hereto as Exhibit A or B.
- 1.4 Service rendered hereunder shall be subject to curtailment or interruption. In the event Southern Star is unable to provide the level of Service requested by all PLS Shippers under Rate Schedule PLS, then Southern Star shall allocate available Service among such PLS Shippers in accordance with Section 7 of Southern Star's Rate Schedule PLS.

SECTION II  
POINT(S) OF SERVICE

- 2.1 Southern Star shall render Service to PLS Shipper at the available Point(s) of Service posted on Southern Star's CSI from time to time and specified in the executed Service Order(s).

SECTION III  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 3.1 PLS Shipper shall pay Southern Star each month for all service rendered hereunder the then-effective, applicable rates and charges under Southern Star's Rate Schedule PLS, as such rates and charges and Rate Schedule PLS may hereafter be modified, supplemented, superseded or replaced generally or as to the service hereunder.
- 3.2 PLS Shipper agrees that Southern Star shall have the unilateral right from time to time to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service hereunder, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions incorporated by reference in such rate schedule(s); provided, however, PLS Shipper shall have the right to protest any such changes.
- 3.3 This Agreement in all respects is subject to the provisions of Rate Schedule PLS, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule PLS, all of which are by reference made a part hereof.

FORM OF SERVICE AGREEMENT  
UNDER RATE SCHEDULE PLS

SECTION IV  
TERM

- 4.1 This Agreement shall become effective on \_\_\_\_\_ and shall continue in full force and effect until \_\_\_\_\_ and month to month thereafter, unless either party gives the other party at least thirty (30) days written notice to terminate the agreement.
- 4.2 This Agreement may be suspended or terminated by Southern Star in the event PLS Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give PLS Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by PLS Shipper in accordance with Section 18 of the General Terms and Conditions.

FORM OF SERVICE AGREEMENT  
UNDER RATE SCHEDULE PLS

SECTION V  
NOTICES

- 5.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To PLS Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.

FORM OF SERVICE AGREEMENT  
UNDER RATE SCHEDULE PLS

SECTION VI  
MISCELLANEOUS

- 6.1 As of the effective date of execution of Exhibit A or Exhibit B attached to this Agreement, such executed exhibit is hereby incorporated by reference as part of this Agreement. The parties may amend Exhibit A or Exhibit B by mutual agreement, which amendment shall be reflected in a revised Exhibit A or Exhibit B and shall be incorporated by reference as part of this Agreement.
- 6.2 OTHER THAN AS MAY BE SET FORTH HEREIN, THE COMPANY MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

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

_____ [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)

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 \_\_\_\_\_

FORM OF PREDETERMINED ALLOCATION AGREEMENT

THIS AGREEMENT is made and entered into by Southern Star Central Gas Pipeline, Inc., (Southern Star) and \_\_\_\_\_ (\_\_\_\_\_) to be effective \_\_\_\_\_.

Whereas, from time to time, gas quantities are delivered at the interconnections between Southern Star's facilities and facilities owned and/or operated by \_\_\_\_\_ at locations listed on Exhibit A hereto.

Whereas, Southern Star and \_\_\_\_\_ desire to reach an agreement on the allocation methodology of gas quantities delivered at those interconnections.

NOW, THEREFORE, Southern Star and \_\_\_\_\_ agree that such deliveries will be allocated using the following method.

_____ [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)

EXHIBIT A

Interconnection Locations

Contract ID: \_\_\_\_\_

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FS1

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky, hereinafter referred to as “Southern Star”, and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as “Shipper”.

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Shipper agree as follows.

SECTION I  
SERVICE TO BE RENDERED

- 1.1 Subject to the provisions of this Agreement and of Southern Star's Rate Schedule FS1, Southern Star agrees to receive from Shipper under a Rate Schedule FTS or ITS Service Agreement for storage, inject into storage for Shipper's account, store, withdraw from storage on a firm basis and deliver to Shipper for transportation under a Rate Schedule FTS or ITS Service Agreement quantities of natural gas as designated on Exhibit A up to the maximum quantities set forth on Exhibit A. All quantities injected into storage, stored, and withdrawn from storage shall be net of appropriate reductions for fuel and loss.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FS1

SECTION II  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 2.1 Shipper shall pay Southern Star each month for all service rendered hereunder per rates set out in an associated market-based rate agreement.
- 2.2 This Agreement in all respects is subject to the provisions of Rate Schedule FS1, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule FS1, all of which are by reference made a part hereof.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FS1

SECTION III  
TERM

- 3.1 This agreement shall become effective \_\_\_\_\_ and shall continue in full force and effect until \_\_\_\_\_.
- 3.2 This Agreement may be suspended or terminated by Southern Star in the event Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Shipper in accordance with Section 18 of the General Terms and Conditions. Suspension or termination of this Agreement shall not excuse Shipper's obligation to pay all demand and other charges for the original term of the Agreement.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FS1

SECTION IV  
NOTICES

- 4.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FS1

SECTION V  
MISCELLANEOUS

- 5.1 As of the effective date of execution of Exhibit A attached to this Agreement, such executed exhibit is hereby incorporated by reference as part of this Agreement. The parties may amend Exhibit A by mutual agreement, which amendment shall be reflected in a revised Exhibit A and shall be incorporated by reference as part of this Agreement.
- 5.2 OTHER THAN AS MAY BE SET FORTH HEREIN, SOUTHERN STAR MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.



FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FS1

IN WITNESS THEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

_____	[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)

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE FS1

EXHIBIT A

TO

FIRM STORAGE SERVICE AGREEMENT \_\_\_\_\_

Dated \_\_\_\_\_

Between  
Southern Star Central Gas Pipeline, Inc.  
and  
\_\_\_\_\_

Maximum Daily Withdrawal Quantity: \_\_\_\_\_

Maximum Storage Quantity: \_\_\_\_\_

Area (Production or Market): \_\_\_\_\_

Effective Date of this Exhibit A: \_\_\_\_\_

Supersedes Exhibit A of Effective Date: \_\_\_\_\_

\_\_\_\_\_ [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 \_\_\_\_\_

Contract ID: \_\_\_\_\_

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE IS1

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between SOUTHERN STAR CENTRAL GAS PIPELINE, INC., a Delaware corporation, having its principal office in Owensboro, Kentucky, hereinafter referred to as “Southern Star”, and \_\_\_\_\_, a \_\_\_\_\_, having its principal office in \_\_\_\_\_, hereinafter referred to as “Shipper”.

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, Southern Star and Shipper agree as follows:

SECTION I  
SERVICE TO BE RENDERED

- 1.1 Subject to the provisions of this Agreement and of Rate Schedule IS1, Southern Star agrees to receive from Shipper under a Rate Schedule FTS or ITS Service Agreement for storage, inject into storage for Shipper’s account, store, withdraw from storage on an interruptible basis and deliver to Shipper quantities of natural gas for transportation under a Rate Schedule FTS or ITS Service Agreement up to a Maximum Storage Quantity of \_\_\_\_\_Dth. All quantities injected into storage, stored, and withdrawn from storage shall be net of appropriate reductions for fuel and loss.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE IS1

SECTION II  
RATE, RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

- 2.1 Shipper shall pay Southern Star each month for all service rendered hereunder per rates set out in an associated market-based rate agreement.
- 2.2 This Agreement in all respects is subject to the provisions of Rate Schedule IS1, or superseding rate schedule(s), and applicable provisions of the General Terms and Conditions included by reference in said Rate Schedule IS1, all of which are by reference made a part hereof.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE IS1

SECTION III  
TERM

- 3.1 This Agreement 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 \_\_\_\_\_ and month to month thereafter, unless either party gives the other party at least thirty (30) days written notice to terminate the agreement.
- 3.2 This Agreement may be suspended or terminated by Southern Star in the event Shipper fails to pay all of the amount of any bill rendered by Southern Star hereunder when that amount is due; provided, however, Southern Star shall give Shipper and the FERC thirty (30) days notice prior to any suspension or termination of service. Service may continue hereunder if within the thirty-day notice period satisfactory assurance of payment is made by Shipper in accordance with Section 18 of the General Terms and Conditions. Suspension or termination of this Agreement shall not excuse Shipper's obligation to pay all demand and other charges for the original term of the Agreement.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE IS1

SECTION IV  
NOTICES

- 4.1 Unless otherwise agreed to in writing by the parties, any notice, request, demand, statement or bill respecting this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

To Shipper:

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To Southern Star:

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The address(es) of either party may, from time to time, be changed by a party communicating appropriate notice thereof to the other or, in the case of Southern Star, by posting notice of such address change(s) on CSI.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE IS1

SECTION V  
MISCELLANEOUS

- 5.1 As of the effective date of execution of Exhibit A attached to this Agreement, such executed exhibit is hereby incorporated by reference as part of this Agreement. The parties may amend Exhibit A by mutual agreement, which amendment shall be reflected in a revised Exhibit A and shall be incorporated by reference as a part of this Agreement.
- 5.2 OTHER THAN AS MAY BE SET FORTH HEREIN, THE COMPANY MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE IS1

IN WITNESS THEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

_____	[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)



FORM OF STORAGE SERVICE AGREEMENT  
UNDER RATE SCHEDULE IS1

EXHIBIT A

TO

INTERRUPTIBLE STORAGE SERVICE AGREEMENT \_\_\_\_\_

Dated \_\_\_\_\_

Between  
Southern Star Central Gas Pipeline, Inc.  
and  
\_\_\_\_\_

Maximum Daily Withdrawal Quantity: \_\_\_\_\_

Maximum Storage Quantity: \_\_\_\_\_

Area (Production or Market): \_\_\_\_\_

Effective Date of this Exhibit A: \_\_\_\_\_

Supersedes Exhibit A of Effective Date: \_\_\_\_\_

\_\_\_\_\_ [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 CSI ELECTRONIC CONTRACTING AGREEMENT

THIS CSI ELECTRONIC CONTRACTING AGREEMENT (Agreement) is entered into the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Southern Star Central Gas Pipeline, Inc. ("Southern Star"), a Delaware corporation with its headquarters in Owensboro, Kentucky, and \_\_\_\_\_ ("Shipper"), a \_\_\_\_\_ with offices at \_\_\_\_\_ . Southern Star and Shipper may be referred to herein collectively as the Parties and singularly as a Party.

WHEREAS, Southern Star has developed an internet based customer service system known as Customer Service Innovations ("CSI") that includes proprietary computer software programs and contents to facilitate nominations, confirmations, capacity allocation, imbalance trading, billing, capacity release, notifications, reporting and other electronic communications related to the conduct of business on Southern Star's natural gas transmission system; and

WHEREAS, as an enhancement to CSI, Southern Star has added the ability for shippers to use interactive electronic contracting as a means for contracting for certain services offered by Southern Star; and

WHEREAS, Shipper desires remote access to certain portions of CSI and its contents for the purposes of electronically contracting for such services offered from Southern Star; and

WHEREAS, Southern Star and Shipper may in the future enter into one or more new or amended Service Agreements, Service Orders or other agreements pursuant to the provisions of Southern Star's FERC Gas Tariff ("Tariff"), on file with the Federal Energy Regulatory Commission ("FERC"), or into non-jurisdictional agreements or contracts (collectively "Contracts"; any one of which may be referred to in the singular as a "Contract"); and

WHEREAS, Southern Star and Shipper desire to facilitate the provision and receipt of service for their mutual benefit by entering into Contracts via CSI in substitution for conventional paper-based documents, and further desire to assure that such Contracts are not legally invalid or unenforceable as a result of the use of available electronic technologies; and

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and the benefits to be derived, the Parties, intending to be legally bound, hereby agree as follows:

1. By accessing CSI for the purposes of requesting and/or executing Contract(s), Shipper, including its employees and agents, agrees to be bound by all of the terms and conditions of this Agreement, including the Tariff, which is incorporated into this Agreement by this reference.

## FORM OF CSI ELECTRONIC CONTRACTING AGREEMENT

2. Any Contract entered into electronically between the parties via CSI shall be governed by the Tariff, as applicable, as it may be amended, modified or revised from time to time.

3. In order to electronically contract with Southern Star via CSI, Shipper and any employee(s) ("Employee") of Shipper qualified on Shipper's behalf, to either initiate service requests or to execute Contracts or both, must complete and sign an Electronic Contracting Access Request Form in the form of Appendix A, attached hereto. Upon receipt of a signed Electronic Contracting Access Request Form, Southern Star will provide Shipper and its designated Employee (hereinafter "Authorized Employee") with appropriate login identification codes and passwords and access to the appropriate electronic contracting functions on CSI, consistent with the authorization in the signed Electronic Contracting Access Request Form. A separate Electronic Contracting Access Request Form must be signed for each Authorized Employee. An Electronic Contracting Access Request Form signed by Shipper and an Authorized Employee shall be conclusive evidence of the power, capacity and authority of any Authorized Employee listed thereon to initiate service requests or execute Contracts on behalf of Shipper. Shipper may also electronically contract as agent for another shipper, if such other shipper has appointed Shipper as agent with express authority to electronically contract on its behalf.

4. Shipper shall ensure that only its Authorized Employees use the login, password, and other controlled access to which they have been assigned in connection with the electronic contracting functions of CSI. Upon termination of any Authorized Employee, or of their need for access to the electronic contracting functions of CSI, Shipper shall immediately notify Southern Star in writing and shall discontinue use of that login and password.

5. It is Shipper's responsibility to monitor the use of the electronic contracting functions on CSI for any Contract to be initiated or electronically signed on its behalf by its Authorized Employees. By "clicking" on the designated space provided on CSI, Shipper is deemed to initiate the service request or to execute the Contract that is made available on the electronic contracting application.

## FORM OF CSI ELECTRONIC CONTRACTING AGREEMENT

6. Except as provided in Section 7, any service request or Contract ("Document") properly electronically executed by means of a "click" on the designated space, pursuant to the specified procedures set forth in this Agreement shall be considered, in connection with any transaction or this Agreement, to be a "writing" or "in writing" and any such Document shall be deemed for all purposes (i) to have been "signed" ("Electronically Signed Document") and (ii) to constitute an "original" when printed from electronic files or records established and maintained in the normal course of business. Provided that the signature has been made in accordance with the terms of the Tariff, the Parties agree not to contest the validity or enforceability of such electronic signatures under the provision of any applicable law relating to (A) the authority of any Authorized Employee to enter into the Electronically Signed Document or (B) whether such agreements are to be in writing or signed by the Party to be bound thereby. Electronically Signed Documents, if introduced as evidence in any judicial, arbitration, mediation or administrative proceeding, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in paper documentary forms. Neither Party shall contest the admissibility of such Electronically Signed Documents on the basis that the Electronically Signed Documents were not originated or maintained in documentary form.

7. For each service request entered and signed electronically, CSI will provide Shipper with the option to choose whether or not an electronic signature is acceptable on any resulting Contract. If Shipper chooses not to accept electronic signatures for the resulting Contract, manually signed documents will be uploaded via the electronic contracting system.

8. By completing and signing an Electronic Contracting Access Request Form, Shipper and any Authorized Employee of Shipper signing an Electronic Contracting Access Request Form, acknowledge that they have reviewed and understand the procedures established in this Agreement, Southern Star's Tariff and as posted on CSI with respect to the electronic execution of Contracts, and agree to comply with such procedures (and with any changes or amendments to procedures as made in the Tariff or as published on CSI) in connection with such Contracts and transactions.

9. Each Party shall have the right to terminate this Agreement at any time for any reason whatsoever, with or without cause. Southern Star shall have the right to modify or terminate its electronic contracting process and/or Shipper's or any Authorized Employee's right to use the electronic contracting functions of CSI at any time. Southern Star also reserves the right to invalidate login identification codes and passwords and shall provide reasonable notice of such invalidation. Upon termination of this Agreement or upon request by Southern Star, Shipper or any Authorized Employee shall thereafter immediately cease all use of the electronic contracting functions of CSI.

FORM OF CSI ELECTRONIC CONTRACTING AGREEMENT

10. Except as otherwise provided herein, any notice, request or demand provided for in this Agreement shall be in writing and shall be deemed given when communicated pursuant to Section 23 of the General Terms and Conditions of the Tariff or when placed in the regular mail or certified mail, postage prepaid and addressed to the other party, or sent by overnight delivery service or via email at the following addresses or email addresses, respectively:

Southern Star: Southern Star Central Gas Pipeline, Inc.

4700 State Route 56  
Owensboro, Kentucky 42301  
Telephone: (270) 852-5123  
Email: [SSCContractAdministration@southernstar.com](mailto:SSCContractAdministration@southernstar.com)

Attention: Contract Administration

Shipper:

\_\_\_\_\_  
Street: \_\_\_\_\_

\_\_\_\_\_  
Telephone: \_\_\_\_\_

\_\_\_\_\_  
Email: \_\_\_\_\_

\_\_\_\_\_  
Attention: \_\_\_\_\_

Either Party may change the address for notice by providing formal written notice to the other Party.

11. Shipper shall not, in whole or in part, assign its rights or delegate its obligations under this Agreement without the prior written consent of Southern Star, and any attempt to do so without consent shall be void. This Agreement shall be binding upon and inure to the benefit of the Parties' permitted successors and assigns.

12. If any provision or part of a provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision, but this Agreement shall be construed as if it did not contain such provision. Each provision shall be deemed enforceable to the fullest extent available under applicable law.

FORM OF CSI ELECTRONIC CONTRACTING AGREEMENT

13. OTHER THAN AS MAY BE SET FORTH HEREIN, SOUTHERN STAR MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

14. Each person signing this Agreement warrants that the person has full legal capacity, power, and authority to execute this Agreement for and on behalf of the respective Party and to bind such Party.

IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND, the parties hereto have executed this Agreement as of the day and year first above written.

_____ [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)

FORM OF CSI ELECTRONIC CONTRACTING AGREEMENT

Appendix A  
**Electronic Contracting Access Request Form**  
Effective \_\_\_\_\_

Pursuant to the CSI ELECTRONIC CONTRACTING AGREEMENT dated \_\_\_\_\_, \_\_\_\_\_, (“Shipper”) hereby designates the following employee as an Authorized Employee with full power, capacity and authority to either initiate service requests or execute Contracts, or both, on behalf of Shipper, or other parties for whom Shipper is agent, as indicated below.

Authorized Employee  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Shipper authorizes Authorized Employee to perform the following electronic contracting functions on behalf of Shipper. Select one by marking “Yes”:

Initiate Service Requests: \_\_\_\_\_  
Execute Contracts: \_\_\_\_\_  
Initiate Service Requests and Execute Contracts: \_\_\_\_\_

By their signatures below, Shipper and Authorized Employee each acknowledge that they have reviewed and understand the procedures established in this Agreement, Southern Star’s Tariff and as posted on CSI with respect to the electronic execution of Contracts, and agree to comply with such procedures (and with any changes or amendments to procedures as made in the Tariff or as published on CSI) in connection with such Contracts and transactions. Shipper agrees to be bound by the actions of its Authorized Employee with respect to electronic contracting on CSI.

**SHIPPER:** \_\_\_\_\_

**AUTHORIZED EMPLOYEE**

**Signed:** \_\_\_\_\_

**Signed:** \_\_\_\_\_

**Print:** \_\_\_\_\_

**Print:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_