

GENERAL TERMS AND CONDITIONS

25. CAPACITY RELEASE

This Section sets forth the terms and conditions that are applicable to the release of firm entitlements under various services that are provided pursuant to this Section 25.

25.1 Procedure. Capacity released shall be subject to the terms and conditions of this Section 25.1.

- (a) Eligibility. Any Shipper ("Releasing Shipper") under Rate Schedule FT of this Tariff, shall be entitled, subject to the terms and conditions of this Section 25.1, to release any or all of its firm Transportation entitlements held under a Transportation Service Agreement but only to the extent that the capacity so released is acquired by another Shipper ("Replacement Shipper") pursuant to the provisions of this Section 25.1. If a shipper wants to release all or part of its capacity, including index-based releases, the shipper shall submit a release request via facsimile (or other Electronic Communication acceptable to Transporter). If a releasing shipper desires to make an index-based release, it should contact Transporter in advance of the initial release with requested price index references that are representative of receipt and delivery points on Transporter's system for fixed-price transactions with next-day or next-month delivery obligations. Consistent with NAESB 5.3.65, Transporter will review with the releasing shipper the request and the steps needed to support the index. Transporter will not unreasonably withhold agreement to such a proposed request. Upon receipt and processing of such release, Transporter will post a notice on its Public Internet with the details of the offer and the deadline to submit bids, if applicable. Any such release shall result in a temporary suspension of the Releasing Shipper's right to use the released firm entitlements. In the case of segmented capacity releases, for the MDQ released, the upstream segment Shipper shall be permitted to nominate as a Secondary Point all points both upstream of the break point and in the same direction as the Releasing Shipper's Primary Route, and the downstream segment Shipper shall be permitted to nominate as a Secondary Point all points both downstream of the break point and in the same direction as the Releasing Shipper's Primary Route, provided that the nominations of the Releasing and Replacement Shippers do not result in an overlap with another capacity release transaction.
- (b) Released Capacity shall be made available on a basis that is not unduly discriminatory, and any Replacement Shipper shall be entitled to acquire Releasing Shipper's capacity subject to the terms and conditions under this Section 25.1 provided the Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner. A Replacement Shipper shall be entitled to release acquired capacity to another Replacement Shipper, subject to the requirement that the original Replacement Shipper satisfies all of the provisions of this Section 25.1 as if such Replacement Shipper were a Releasing Shipper, and the new Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner, provided, however, that a Replacement Shipper that acquired released capacity through a volumetric bid shall not be entitled to re-release that capacity.
- (c) Term. Any release under this Section 25.1 shall be for a minimum period of one day, and shall not exceed the expiration of the initial term of the Transportation Service Agreement that is released.
- (d) Recall Rights.
  - (1) Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity. Recall Notification timelines are set forth in Section 25.6.

The Releasing Shipper shall make such recall effective by communicating the recall and submitting a nomination change to Transporter, pursuant to Section 4.0 of these General Terms and Conditions.

Upon notification of a recall, the MDQ of the Replacement Shipper(s) shall be reduced by the quantity of the recall, and its nominations adjusted as necessary. Transporter shall be entitled to rely upon such nomination change and not be held liable under any circumstances whatsoever in the event of any such recall. The terms and conditions of recall may include non-payment of reservation charges by the Replacement Shipper. Transporter shall notify the Releasing Shipper of Replacement Shipper's non-payment of reservation charges no later than five (5) Business Days after the date such payment was due pursuant to this Tariff.

- (2) Upon notification by Releasing Shipper to Transporter that such recall of Transportation entitlements is no longer in effect, the Replacement Shipper shall, if provided for in the agreement with the Releasing Shipper, be entitled to reput the release effective upon communication to Transporter of a nomination change.
  - (3) If released Transportation capacity is recalled by the Releasing Shipper, Transporter may, if requested by the Replacement Shipper, and subject to availability of capacity, continue service to the Replacement Shipper under Rate Schedule IT.
- (e) Bidding Period. Releasing Shipper may specify the date and time that bidding period starts and the date that the bidding period ends, provided, however, that the bidding period shall not commence any later than the time set forth in Section 25.1(f) of the General Terms and Conditions of this Tariff regarding the capacity release timeline.

Releasing Shipper's offer to release shall be posted for the bidding period; provided, however, that the Releasing Shipper shall have the right to withdraw such offer before the end of the bidding period where unanticipated circumstances so justify and a notice of withdrawal of the offer is posted or submitted in writing prior to the receipt of any valid bids for such capacity. A Releasing Shipper may request a later posting time for posting of such offer, and Transporter will support such request insofar as it comports with the Capacity Release timeline in Section 25.1(f) of the General Terms and Conditions of this Tariff.

- (f) 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 acquiring 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 the capacity release service provider 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, the capacity release service provider 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 Transporter).

(i) For biddable releases (1 Year or less):

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

(ii) For biddable releases (more than 1 Year):

- (1) offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day;

- (2) open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days;
- (3) evaluation period begins at 10:00 a.m. during which contingency is eliminated, determination of best bid is made, and ties are broken;
- (4) evaluation period ends and award posting if no match required at 11:00 a.m.;
- (5) match is communicated by 11:00 a.m.;
- (6) match response by 11:30 a.m.;
- (7) where match required, award posting by 12:00 Noon;
- (8) contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time).

(iii) For non-biddable releases:

Timely Cycle: Posting of prearranged deals not subject to bid are due by 12:00 Noon on a Business Day.

Evening Cycle: Posting of prearranged deals not subject to bid are due by 5:00 p.m. on a Business Day.

Intraday 1 Cycle: Posting of prearranged deals not subject to bid are due by 9:00 a.m. on a Business Day.

Intraday 2 Cycle: Posting of prearranged deals not subject to bid are due by 1:30 p.m. on a Business Day.

Intraday 3 Cycle: Posting of prearranged deals not subject to bid are due by 6:00 p.m. on a Business Day

For each cycle, contracts will be issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time).

(g) Required Information for the Release of Capacity. The Releasing Shipper shall submit the following information, objectively stated and applicable to all potential Shippers on a non-discriminatory basis, to Transporter via Electronic Communication:

- (1) The Releasing Shipper's legal name, contract number and the name, title, address and phone and fax number of the individual who will authorize the release of capacity for the Releasing Shipper.
- (2) Whether the capacity is biddable.
- (3) The level of daily firm entitlements that the Releasing Shipper elects to release, expressed as a numeric quantity per day for Transportation and total release period quantity.
- (4) The Primary Route(s) or segment within such Primary Route(s), and quantity to be released for such Primary Route.
- (5) The requested effective date and the term of the release.
- (6) The minimum acceptable period of release and minimum acceptable quantities (if any).
- (7) The Releasing Shipper's maximum reservation rate (including any demand type surcharges, direct bills, or similar mechanisms), any minimum rate requirement, whether bids are to be submitted on a reservation or volumetric basis, and whether the bids should be stated in dollars and cents or percent of the maximum tariff rate. The maximum and minimum rates may separately identify surcharges and direct bills, or such amounts can be included in the total rate. The Releasing Shipper may specify a minimum reservation charge requirement that is in excess of the maximum tariff rate for the applicable service if the term of the proposed release is for one (1) Year or less and the release is to take effect on or before one (1)

Year from the date on which Transporter is notified of the release.

- (8) The Releasing Shipper's request (if at all) for Transporter to market actively the capacity to be released.
- (9) The legal name of the Replacement Shipper that is designated in any pre-arranged release ("Pre-arranged Replacement Shipper").
- (10) Whether the capacity is to be released on a recallable basis, and, if so, the terms and conditions of such recall, and whether the Releasing Shipper is authorized to repute the release if and when it notifies Transporter that the recall is no longer in effect; or whether the capacity is to be released on a permanent basis.
- (11) Whether the capacity to be released is contingent on the release of other capacity, or on certain terms and conditions, and if so, the capacity, terms and/or conditions upon which the release is contingent.
- (12) The terms and conditions under which Releasing Shipper will accept contingent bids, including bids that are contingent upon the Replacement Shipper acquiring Transportation on a pipeline interconnected to Transporter, the method for evaluating contingent bids, what level of proof is required by the contingent bidder to demonstrate that the contingency did not occur, and for what time period the next highest bidder will be obligated to acquire the capacity if the next winning contingent bidder declines the release.
- (13) Whether Releasing Shipper requires bidders to post a deposit with Transporter, not to exceed the amount required by Transporter pursuant to Section 3.1 of the General Terms and Conditions of this Tariff, to guard against frivolous bids. Deposits will be refunded to losing bidders at the time the capacity is awarded, and credited against the Replacement Shipper's invoices until fully utilized.
- (14) Whether Releasing Shipper will require Replacement Shipper to post a deposit, not to exceed the amount required by Transporter pursuant to Section 3.1 of the General Terms and Conditions of this Tariff, to guard against payment defaults if Transporter waives the deposit requirement contained in Section 3.1 of the General Terms and Conditions of this Tariff. Such deposit will be paid by the Replacement Shipper to Transporter at the time specified in Section 3.1 of the General Terms and Conditions of this Tariff, and will be credited against Replacement Shipper's invoices until fully utilized.
- (15) Any other reasonable and not unduly discriminatory terms and conditions to accommodate the release, including provisions necessary to evaluate bids and tie breaking criteria, provided, however, that bid evaluations will be limited to highest rate, net revenue and present value.
- (16) Any restriction on the use of higher rate Secondary Points, or any requirement that the Replacement Shipper reimburse the Releasing Shipper for any incremental charges assessed by Transporter pursuant to Section 7.1 of the General Terms and Conditions of this Tariff for use of Secondary Points by the Replacement Shipper.
- (17) Whether the release is a Pre-Arranged Asset Manager Release as defined in 18 C.F.R. Section 284.8(h)(3), and the volumetric level of the Asset Manager's delivery or purchase obligation and the time period during which that obligation is in effect.
- (18) Whether the release is a Pre-Arranged Release to a Marketer Participating in a State-Regulated Retail Access Program, as defined in 18 C.F.R. Section 284.8(h)(4).
- (19) Any other additional information that Transporter deems necessary, from time to time, to effectuate release hereunder.
- (20) Transporter shall not be liable for information provided to Transporter, including any such information that is provided via

Electronic Communication, or with respect to the deposit required by the Replacement Shipper pursuant to Section 25.1(g)(14) of the General Terms and Conditions of this Tariff.

- (h) Open Bidding Process. Prospective Shippers wishing to acquire capacity, including index-based capacity, available for release ("Bidding Shipper") shall place a bid in writing or by Electronic Communication for the available capacity during the Posting Period. If such bid is not expressly labeled contingent, such bid shall be binding. The bid shall contain the following information:
- (1) The Bidding Shipper's legal name and the name, title, address and phone number of the individual who will authorize the acquisition of the available capacity.
  - (2) The level of daily firm entitlements that the Bidding Shipper requests and the minimum quantity it will accept.
  - (3) The requested effective date and the term of the acquisition.
  - (4) The Bidding Shipper's bid, addressing all criteria required by the Releasing Shipper.

The Bidding Shipper shall be entitled to withdraw its bid via Electronic Communication, prior to the end of the bidding period, if such withdrawal is not due to lower bids by other Shippers. Bidding Shipper cannot withdraw its bid after the Bidding Period ends. If Bidding Shipper withdraws its bid, it may not resubmit a lower bid. If Bidding Shipper submits a higher bid, lower bids previously submitted by Bidding Shipper will be automatically eliminated. A Bidding Shipper may submit multiple bids where the term or quantity involved in each bid is different. Transporter shall post the Releasing Shipper's offer for release capacity, including index-based capacity, on its Public Internet. The posting of the offer will also include the maximum Commission-approved tariff reservation rate applicable to the capacity, the date and time by which bids must be submitted in accordance with the capacity release timetable, and the date and time the offer is posted. Transporter shall post all withdrawals of offer or bids on its Public Internet. All terms and conditions of completed capacity release transactions, including index-based releases, will be posted on the Public Internet, including the names of Releasing Shippers.

The maximum and/or minimum rates specified by a Releasing Shipper may exceed the maximum tariff rate for the applicable service if the term of the proposed release is one (1) Year or less as long as the release is to take effect on or before one (1) Year from the date on which Transporter is notified of the release. For bids for a term greater than one (1) Year, no bid shall exceed the maximum applicable Transportation rates, in addition to any and all applicable fees and surcharges, as specified in this Tariff. All valid bids (except bidder's name) will be posted by Transporter on its Public Internet.

- (i) Pre-Arranged Release. Releasing Shipper shall have the right to release capacity to a Pre-arranged Replacement Shipper, including a Replacement Shipper under either a Pre-Arranged Asset Manager Release or a Pre-Arranged Release to a Marketer Participating in a State-Regulated Retail Access Program, without posting an offer via Electronic Communication if: (1) the release is for a term of thirty-one (31) days or less for which the Releasing Shipper has obtained a Pre-arranged Replacement Shipper and the Releasing Shipper elects not to post such proposed capacity release for bidding; (2) a release with a term of more than one (1) Year for which the Releasing Shipper has obtained a Pre-arranged Replacement Shipper and the release is at maximum rates and meets all other terms and conditions of the release; (3) a Pre-Arranged Asset Manager Release; or (4) a Pre-Arranged Release to a Marketer Participating in a State-Regulated Retail Access Program. With the exception of Pre-Arranged Asset Manager Releases or Pre-Arranged Releases to a Marketer Participating in a State-Regulated Retail Access Program, any release with a term that is greater than thirty-one (31) days and less than or equal to one (1) Year must be posted for bidding, regardless of the proposed rate. If Releasing Shipper exercises such right, Releasing Shipper must notify Transporter prior to the nomination of the released entitlements, and the Replacement Shipper shall adhere to the

contracting requirements pursuant to Section 25.2 of the General Terms and Conditions of this Tariff. Where applicable, the Releasing Shipper must identify the Pre-arranged Replacement Shipper as an "Asset Manager" as that term is defined in 18 C.F.R. Section 284.8(h) (3) or a "Marketer Participating in a State-Regulated Retail Access Program" as that term is defined in 18 C.F.R. 284.8(h) (4). Releasing Shipper will provide the information via Electronic Communication by 9:00 a.m. the day before the release transaction begins. The Replacement Shipper shall confirm the pre-arranged release by 9:30 a.m. and meet any eligibility requirements under this Section 25.

- (i) A Pre-Arranged Release between a Releasing Shipper and an Asset Manager, as that term is defined in 18 C.F.R. Section 284.8(h) (3), shall be defined for purposes of this Section 25, as a "Pre-Arranged Asset Manager Release".
  - (ii) A Pre-Arranged Release between a Releasing Shipper and a Marketer Participating in a State-Regulated Retail Access Program, as that term is defined in 18 C.F.R. Section 284.8(h) (4), shall be defined for purposes of this Section 25, as a "Pre-Arranged Release to a Marketer Participating in a State-Regulated Retail Access Program".
  - (iii) Payments or other consideration exchanged between the Releasing Shipper and the Replacement Shipper in a Pre-Arranged Asset Manager Release are not subject to the maximum rate.
- (j) Matching Rights. A Pre-arranged Replacement Shipper shall have the right of first refusal for a time period as negotiated by the Releasing Shipper and the Pre-arranged Replacement Shipper ("Matching Period"). The Matching Period will be one (1) hour following the time the Pre-arranged Replacement Shipper has been notified of the winning bid. In the event a bid is received that more closely meets the criteria specified by the Releasing Shipper, Transporter shall provide the Pre-arranged Replacement Shipper an opportunity during the Matching Period to match or exceed the bid that more closely meets the criteria specified by the Releasing Shipper. No later than 2:00 p.m., the Pre-arranged Replacement Shipper shall receive notification via Electronic Communication of the terms and conditions of the prevailing bid, and shall have the Matching Period to respond via Electronic Communication. Absent a response, the capacity shall be awarded to the prevailing Bidding Shipper no later than 3:00 p.m. Transporter will post notice of a pre-arranged release on Transporter's Public Internet no later than the first nomination after the transaction commences.
- (k) Awarding of Capacity Available for Release. Capacity for releases subject to bidding will be awarded no later than 3:00 p.m. The capacity available for release shall be awarded to the Bidding Shipper with the highest bid matching all terms and conditions provided by the Releasing Shipper. Potential Replacement or Pre-arranged Replacement Shippers may submit bids in excess of the maximum tariff rate for the applicable service if the term of the proposed release is one (1) Year or less as long as the release is to take effect on or before one (1) Year from the date on which Transporter is notified of the release. Such rate will be utilized in the determination of the highest bid.

In the case of multiple bid winners, the highest ranking bid will receive the entire maximum amount of capacity bid. The next highest bidder will receive the remainder of the offered capacity provided that the amount remaining is above the bidder's minimum acceptable quantity. Any remaining capacity will be given to the next highest bidder under the same provisions as above. This process will repeat until either all of the offered capacity is awarded or the remaining capacity falls below either the Releasing Shipper's minimum quantity, or all the remaining bidder's acceptable quantities. If bids are received that do not match all the terms and conditions provided by the Releasing Shipper, bids will be evaluated by the criteria provided by the Releasing Shipper. If no criteria are provided by the Releasing Shipper, the Bidding Shipper bidding the greatest NPV shall be awarded the capacity. If more than one such bid has an equal NPV, then the capacity shall be awarded on a first-come, first-served basis. The ultimate awarding of capacity will be provided subsequently by Transporter via Electronic Communication by 4:00 p.m. to the winning Replacement Shipper(s). Transporter shall post notice on Transporter's Public Internet that the

capacity has been awarded. The notice will include the Replacement Shipper's name(s), the rate, reservation quantity, and term of the best bid. Unless the bidder was a contingent bidder and the contingency did not occur Transporter will tender a numbered agreement (unless Shipper has a Master Agreement) to the winning bidder by 10:00 a.m. of the day nominations are due and the winning bidder shall enter into an agreement with Transporter pursuant to Section 25.2 of the General Terms and Conditions of this Tariff.

- (l) Remaining Capacity. In the event that a Releasing Shipper does not release all of its firm entitlements, the Releasing Shipper shall remain responsible for the remaining entitlements and is entitled to utilize the remaining entitlements with the MDQ reduced accordingly by the released capacity quantities.
- (m) No Rollover. When a release of capacity for a period of thirty-one (31) days or less is not subject to the bidding requirements under this Section 25, Releasing Shipper may not rollover, extend, or in any way continue the capacity release, and may not consummate a release with the same Replacement Shipper that utilizes the same capacity or overlaps such capacity, without complying with the competitive bidding requirements of this Section 25, and may not re-release capacity to the same Replacement Shipper until twenty-eight (28) days after the first release period has ended. This restriction is not applicable to a Pre-Arranged Release to an Asset Manager or a Pre-Arranged Release to a Marketer Participating in a State-Regulated Retail Access Program. All other provisions of this Section shall apply.
- (n) Agreement For Multiple Capacity Release Transactions. In lieu of execution of individual agreement(s), Transporter and Replacement Shipper may execute a Master Service Agreement for Capacity Release Transactions to cover multiple capacity release transactions.

#### 25.2 Execution of Capacity Release Agreements.

- (a) Contractual Obligations. Unless Transporter and Replacement Shipper have a Master Service Agreement in effect pursuant to Section 25.1(n) of the General Terms and Conditions of this Tariff, Transporter shall execute an agreement upon receipt of a valid request for service from Replacement Shipper pursuant to Section 3 of these General Terms and Conditions. The agreement shall be executed prior to the commencement of the term of release. All Replacement Shippers shall be required to comply with the creditworthiness requirements of Section 3.5 of these General Terms and Conditions and to accept by a release all Transportation rights and obligations of the Releasing Shipper with respect to the capacity released, including nominations and Primary Routes. Unless otherwise agreed by Transporter, the Releasing Shipper shall remain fully liable to Transporter for all reservation charges, including reservation type surcharges and direct bills, that were due under the Releasing Shipper's agreement, unless Replacement Shipper has agreed to pay Transporter maximum rates, and to accept all obligations of the Releasing Shipper under the Releasing Shipper's agreement for the remaining term of such Releasing Shipper's agreement.
- (b) Billing. Pursuant to Section 12 of the General Terms and Conditions of this Tariff, Replacement Shipper shall be billed for all reservation type charges contained within its bid and all usage charges contained within its bid and all usage charges according to the applicable Rate Schedule. If Replacement Shipper nominates Secondary Receipt Point(s) or Secondary Delivery Point(s), such Shipper shall, in addition to the charges in the previous sentence, be billed the pro rata charge for each applicable day as follows:
  - (1) if the Secondary Point is within the Rate Segment where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed, if applicable, the amount of reimbursement required to the Releasing Shipper in accordance with Section 25.1(g) (14) of the General Terms and Conditions of this Tariff; or
  - (2) if the Secondary Point is outside of the Rate Segment where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the incremental Rate Segment differential to

the Secondary Point plus, if applicable, the amount of incremental Rate Segment differential to the Secondary Point plus, if applicable, the amount of reimbursement required to the Releasing Shipper in accordance with Section 25.1(g)(14) of these General Terms and Conditions.

- (c) Credits. Except as otherwise agreed to between Transporter and Releasing Shipper, Releasing Shipper shall receive a credit against its Monthly Reservation Charges equal to the amount of reservation charges contained within the Replacement Shipper's bid plus any amounts billed to Replacement Shipper pursuant to Section 25.2(b)(1) or Section 25.2(b)(2) of the General Terms and Conditions of this Tariff, as the case may be. Transporter and Shipper may, in connection with a Negotiated Rate agreement under a firm rate schedule, agree upon payment obligations and crediting mechanisms in the event of a capacity release that vary from, or are in addition to, those set forth in this Section 25.2, provided, however, that terms and conditions of service may not be negotiated.
  - (d) Refunds. In the event the Commission orders refunds of any rates charged by Transporter and previously approved rates, Transporter must make corresponding refunds to the extent that a rate in excess of Transporter's applicable maximum rates has been paid.
- 25.3 Posting of Purchase Offers. Transporter shall allow a potential Replacement Shipper to post for at least thirty (30) days its offers to acquire released firm entitlements. The offer must contain the following information:
- (a) The potential Replacement Shipper's legal name and the name, title, address and phone number of the individual who will authorize the acquisition of the available capacity.
  - (b) The daily quantities of capacity which the Bidding Shipper requests.
  - (c) The Receipt Points and/or Delivery Points where capacity is requested, as applicable.
  - (d) The requested effective date and the term of the acquisition.
- 25.4 Marketing Fee. Transporter shall be entitled, upon Releasing Shipper's request, to market the capacity available for release actively on Releasing Shipper's behalf. Transporter and Releasing Shipper will negotiate the terms and conditions upon which Transporter will market the Releasing Shipper's capacity.
- 25.5 Transporter's Right to Suspend or Terminate a Capacity Release. Transporter may elect to suspend or terminate a Replacement Shipper's agreement upon written notice to Replacement Shipper, under the following conditions:
- (a) The Releasing Shipper, pursuant to Section 3 of the General Terms and Conditions of this Tariff, has failed to maintain creditworthiness in accordance with Section 3 of the General Terms and Conditions of this Tariff such that Transporter has provided notice that it will suspend and then terminate Releasing Shipper's Transportation Service Agreement; and
  - (b) The rate stated in the effective Replacement Shipper's agreement is less than the maximum Reservation Rate and Commodity Rate for the contracted for Service; and
  - (c) The Replacement Shipper has not, prior to the expiration of thirty (30) days, executed an amendment to such Replacement Shipper's agreement, agreeing to pay, beginning the first day after the end of the thirty day notice period and for the remainder of the term of the Replacement Shipper's agreement, the lesser of (1) the Releasing Shipper's contract rate, (2) the maximum tariff rate for the service, or (3) a mutually agreeable rate.
- Should the Releasing Shipper cure its failure to maintain creditworthiness prior to termination, the Replacement Shipper's amendment to its contract will expire by its own terms without ever having gone into effect.
- 25.6 Recall of Released Capacity. Subject to the terms of the release, the Releasing Shipper may recall released capacity as provided below. Recalls of capacity release transactions shall be subject to Elapsed Prorata Capacity (EPC). EPC 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. Reputting by the Releasing Shipper shall be as agreed upon by the Replacement Shipper and the Releasing Shipper. The deadline for notifying Transporter of a reput is 8:00 a.m. to allow for timely nominations to flow for the next Gas Day.

Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity at each of the NAESB nomination grid cycles by providing notice to Transporter by the following times for each cycle:

(a) Timely Recall Notification:

- (i) A Releasing Shipper recalling capacity should provide notice to Transporter and the first Replacement Shipper of such recall no later than 8:00 a.m. on the day that Timely Nominations are due;
- (ii) Transporter should provide notification to all affected Replacement Shippers of such recall no later than 9:00 a.m. on the day that Timely Nominations are due (CCT);

(b) Early Evening Recall Notification:

- (i) A Releasing Shipper recalling capacity should provide notice to Transporter and the first Replacement Shipper of such recall no later than 3:00 p.m. on the day that Evening Nominations are due (CCT);
- (ii) Transporter should provide notification to all affected Replacement Shippers of such recall no later than 4:00 p.m. on the day that Evening Nominations are due (CCT);

(c) Evening Recall Notification:

- (i) A Releasing Shipper recalling capacity should provide notice to Transporter and the first Replacement Shipper of such recall no later than 5:00 p.m. on the day that Evening Nominations are due (CCT);
- (ii) Transporter should provide notification to all affected Replacement Shippers of such recall no later than 6:00 p.m. on the day that Evening Nominations are due (CCT);

(d) Intraday 1 Recall Notification:

- (i) A Releasing Shipper recalling capacity should provide notice to Transporter and the first Replacement Shipper of such recall no later than 7:00 a.m. on the day that Intraday 1 Nominations are due (CCT);
- (ii) Transporter should provide notification to all affected Replacement Shippers of such recall no later than 8:00 a.m. on the day that Intraday 1 Nominations are due (CCT);

(e) Intraday 2 Recall Notification:

- (i) A Releasing Shipper recalling capacity should provide notice to Transporter and the first Replacement Shipper of such recall no later than 12:00 p.m. on the day that Intraday 2 Nominations are due (CCT);
- (ii) Transporter should provide notification to all affected Replacement Shippers of such recall no later than 1:00 p.m. on the day that Intraday 2 Nominations are due (CCT).

(e) Intraday 3 Recall Notification:

- (i) A Releasing Shipper recalling capacity should provide notice to Transporter and the first Replacement Shipper of such recall no later than 4:00 p.m. on the day that Intraday 3 Nominations are due (CCT);

- (ii) Transporter should provide notification to all affected Replacement Shippers of such recall no later than 5:00 p.m. on the day that Intraday 3 Nominations are due (CCT).

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

For recall notification provided to Transporter after 5:00 p.m. and prior to 7:00 a.m., Transporter should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification (CCT).

When a Releasing Shipper with recall rights desires to recall its capacity during an Intraday cycle, Transporter's capacity release system will indicate to such Shipper the capacity available for recall based upon the EPC. Therefore, the Releasing Shipper's recall notification to Transporter would reflect the adjusted total released capacity entitlement.

Transporter shall not be obligated to deliver in excess of the total daily contract quantity of the release.

The amount of capacity allocated to the Replacement Shipper(s) should equal the original released capacity less the recalled capacity that is adjusted based upon the EPC.

When capacity is recalled, it may not be reput for the same Gas Day.