

GENERAL TERMS AND CONDITIONS

29. NEGOTIATED RATES

- 29.1 Availability. Notwithstanding anything to the contrary contained in this Tariff, including the provisions of the rate schedules contained herein, Transporter and Shipper may mutually agree to a Negotiated Rate under any Transportation Service Agreement, provided that Shipper has not acquired its capacity under the capacity release provisions of these General Terms and Conditions. If a portion of the capacity under any existing agreement is agreed to be priced at Negotiated Rates, the existing agreement must first be bifurcated, and the existing maximum or discounted tariff rates will continue to apply to the capacity not subject to the Negotiated Rates. As a recourse to Negotiated Rates, any Shipper may receive service at the applicable maximum tariff rates, including surcharges, for service under the rate schedule applicable to the Negotiated Rate.
- 29.2 Filing Requirement. No later than the first Business Day on or after service under a Negotiated Rate agreement commences, Transporter shall file with the Commission either the Negotiated Rate agreement or a Statement of Negotiated Rates stating the exact legal name of the Shipper, the Negotiated Rate, the rate schedule, the Receipt and Delivery Points, the contract quantities, and, where applicable, the exact formula underlying a Negotiated Rate for any Negotiated Rate Agreement. Such Statement of Negotiated Rates will contain a statement that the Negotiated Rate agreement does not deviate in any material aspect from the Form of Agreement in this Tariff for the applicable rate schedule.
- 29.3 Rate Treatment. Transporter shall 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 conversion to a Negotiated Rate. In those situations, Transporter may seek a discount-type adjustment based upon the greater of: (a) the Negotiated Rate revenues received or (b) the discounted tariff rate revenues which otherwise would have been received.
- 29.4 Limitations. This Section 29 does not authorize Transporter to negotiate terms and conditions of service.
- 29.5 Capacity Release. Negotiated Rates do not apply as the price cap for capacity release transactions. Further, except as expressly provided for in Section 25 of the General Terms and Conditions of this Tariff, capacity release bids must conform to Transporter's applicable tariff rates, as further described in these General Terms and Conditions.
- 29.6 Right of First Refusal. For purposes of exercising rights to continue service pursuant to these General Terms and Conditions, the highest rate that a Shipper 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.
- 29.7 Accounting Treatment. Transporter shall maintain separate records for all revenues associated with Negotiated Rate transactions. Transactions related to Negotiated Rate agreements which originated as a pre-existing discounted service and were subsequently converted will be recorded separately from those originating as Negotiated Rate agreements. Transporter shall record each volume transported, billing determinant, rate component, surcharge, and the revenue associated with its Negotiated Rates so that this information can be filed, separately identified, and separately totaled, as part of and in the format of Statements G, I, and J in Transporter's next general rate change application.