

GENERAL TERMS AND CONDITIONS

31. DISCOUNTED RATES

From time to time Shipper and Transporter 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, Transporter may provide a specific discounted rate:

- (1) to certain specified quantities under the Transportation Service Agreement;
- (2) if specified quantity levels are actually achieved or with respect to quantities below a specified level;
- (3) to production reserves committed by the Shipper;
- (4) during specified time periods;
- (5) to specified points of receipt, points of delivery, supply areas, Transportation paths or defined geographical areas; or
- (6) 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).

In all circumstances, the discounted rate shall be between the maximum rate and the minimum rate applicable to the service provided.

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 Transporter'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 overall rate, as long as none of the resulting rate components exceeds 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 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.