

RATE SCHEDULE FTS-1  
FIRM TRANSPORTATION SERVICE

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1. AVAILABILITY

This rate schedule is available to any party (hereinafter called "Shipper") qualifying for service and who has executed a Firm Transportation Service Agreement with the Transporter.

2. APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to firm gas transportation services performed by The Transporter for Shipper pursuant to the executed Firm Transportation Service Agreement between the Transporter and Shipper.

This Rate Schedule does not constitute an independent instrument from the Service Agreement and the General Conditions approved by CRE. Therefore, if there is contradiction between the Rate Schedule and said instruments, the later will prevail.

The Transporter shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Daily Quantity as specified in the executed Firm Transportation Service Agreement between The Transporter and Shipper plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule FTS-1 and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss. Receipt and delivery of gas shall be made in evenly hourly rates up to a maximum hourly receipt and delivery quantity equal to of 1/24<sup>th</sup> of a Shipper's Maximum Daily Quantity. This transportation service shall be firm and not subject to curtailment or interruption except as provided in the General Conditions.

Firm transportation service shall be subject to all provisions of the executed Firm Transportation Service Agreement between The Transporter and Shipper and the applicable General Conditions.

3. RATES

Shipper shall pay The Transporter each month the sum of the Reservation Charge, the Delivery Charge, plus any applicable Overrun Charge or surcharge for the quantities of natural gas delivered.

3.1 Reservation Charge

The Reservation Charge shall be the Shipper's MDQ multiplied by the Reservation Rate for service under this Rate Schedule.

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### 3.2 Authorized Overrun Charge

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the System and when the provision of such Authorized Overruns shall not effect any Shipper's rights on the Transporter System. Authorized Overruns are interruptible in nature. The rate charged shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1. Such Authorized Overruns shall be subject to the priority of service provisions of the General Conditions.

### 3.3 Applicability of Surcharges

Shipper shall pay all reservation and usage surcharges applicable to the service provided to such Shipper as set forth in The Transporter's Rate List; such surcharges shall be deemed to be part of Shipper's Reservation and Delivery Charges.

### 3.4 Capacity Release

#### (a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of The Transporter's capacity release program as specified in the General Conditions. A Shipper that releases capacity on a temporary basis remains liable for the payment of all rates and fees incurred under such service that are not paid by the Replacement Shipper.

#### (b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to the General Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule FTS-1.

Shipper shall pay The Transporter each month for transportation service under this rate schedule and as set forth in this Rate Schedule. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

The rates paid by Shipper receiving capacity release transportation service shall be adjusted as provided in the executed Transportation

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Service Agreement for Capacity Release between The Transporter and Shipper.

4. FUEL AND LINE LOSS

Shipper shall furnish to the Transporter quantities of gas for compressor station fuel, line loss and other utility purposes, plus other unaccounted for gas used in the operation of the Transporter's system for the transportation of the quantities of gas delivered by the Transporter to Shipper, based upon the effective fuel and line loss percentages in accordance with the General Conditions.

5. TRANSPORTATION GENERAL CONDITIONS

All of the Transportation General Conditions are applicable to this rate schedule, unless otherwise stated in the executed Firm Transportation Service Agreement between the Transporter and Shipper. Any future modifications, additions or deletions to said General Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.