



**NORTHWEST PIPELINE LLC**  
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May 30, 2019

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, D.C. 20426

**Re: Northwest Pipeline LLC**  
Docket No. RP19-\_\_\_\_\_

Dear Ms. Bose:

Pursuant to Part 154 of the regulations of the Federal Energy Regulatory Commission (“Commission” or “FERC”), Northwest Pipeline LLC (“Northwest”) tenders for filing and acceptance of the tariff sheets listed as part of its FERC Gas Tariff, Fifth Revised Volume No. 1 (“Tariff”).

Third Revised Sheet No. 17  
Second Revised Sheet No. 97-F  
Ninth Revised Sheet No. 200  
Third Revised Sheet No. 250

Third Revised Sheet No. 17-A  
Second Revised Sheet No. 98-B  
Fourth Revised Sheet No. 236  
Second Revised Sheet No. 251

***Statement of Nature, Reasons and Basis for the Filing***

Northwest proposes to make the following miscellaneous and housekeeping Tariff changes:

1. Underrun Entitlement Volume Tolerances. Northwest’s General Terms and Conditions (GT&C) Section 15.5 “Daily Entitlement Overrun and Underrun Provisions” of the Tariff identifies different stages at which an unauthorized overrun or underrun entitlement can be declared. Each stage identifies the threshold percentage that a Receiving Party may overrun or underrun its scheduled quantities without being penalized. The different stages provide Northwest with the necessary flexibility it needs to control actions by Receiving Parties during critical operational time periods.<sup>1</sup> For unauthorized underrun entitlements, Northwest’s Tariff currently identifies just one stage, 5 percent, for which an unauthorized underrun entitlement can be declared. Similar to the unauthorized overrun entitlement

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<sup>1</sup> A Receiving Party is the delivery point operator who controls the facilities into which gas is delivered for shipper. As the point operator, a Receiving Party has the responsibility to manage the difference between scheduled deliveries and actual measured deliveries for a given delivery point.

stages, Northwest proposes to add an 8 percent (Stage II) stage and a 13 percent (Stage III) stage to the unauthorized underrun provisions. This proposal will provide Northwest with added flexibility during time periods when Receiving Parties' underrun actions are causing operational concerns but aren't severe enough to require the 5 percent level. Several of Northwest's Receiving Party customers have requested that Northwest incorporate more relaxed stages into its unauthorized underrun provisions and Northwest believes these changes will satisfy those requests and provide it with additional flexibility.

2. LS-3F and LD-4I Warranty Language Removal. Northwest proposes to remove the following Tariff language from Section 9.3 of Rate Schedule LS-3F and Section 5.4 of Rate Schedule LD-4I.

*“Shipper warrants that all LNG delivered to Shipper under this Rate Schedule will at no time be exported outside of the United States.”*

The tariff language was included in two new rate schedules (LS-3F and LD-4I)<sup>2</sup> that were approved in Northwest's certificate authorizing the construction and operation of a new delivery meter station known as Blue Water LNG.<sup>3</sup> This delivery meter station enables Northwest shippers to deliver their LNG supply from Northwest's jurisdictional Plymouth liquefaction and storage (“LNG”) facilities to Transfuels LLC's (“Transfuels”) non-jurisdictional truck-loading facility. Transfuels' non-jurisdictional truck-loading facility is located adjacent to Northwest's Plymouth LNG facilities.

Two years after Northwest received its certificate, the Commission issued its order in Pivotal.<sup>4</sup> Pivotal owned and operated inland natural gas liquefaction and storage facilities in Alabama, Georgia and Tennessee. Pivotal produced LNG at these facilities which was then transported in interstate and intrastate commerce by means other than an interstate pipeline and subsequently exported by a third party. The Commission stated that in order to be an LNG Terminal under Section 3 of the Natural Gas Act (“NGA”), the LNG facility must be connected to a pipeline from which it receives gas and be located at the point of export such that the LNG is directly transferred into an ocean-going, bulk-carrier LNG tanker. Pivotal's facilities, on the other hand, were more like unregulated LNG facilities that load LNG onto trucks that then drive the LNG across the border into Canada or Mexico. The Commission acknowledged that it has never issued authorization under Section 3 of the NGA to designate points of export for gas carried by truck. Nor did finding Pivotal's facilities to be non-jurisdictional create a regulatory gap. Surface carriers of LNG are subject to the Department of Transportation's regulations, and any entity that wishes to export natural gas must receive authorization from the Department of Energy's Office of Fossil Energy.

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<sup>2</sup> After discussions with FERC Staff in 2012.

<sup>3</sup> *Northwest Pipeline GP*, 145 FERC ¶ 61,029 (2013).

<sup>4</sup> *Pivotal LNG, Inc.*, 151 FERC ¶ 61,006 (2015) (“Pivotal”).

Applying the logic of Pivotal to Northwest's situation, Northwest's shippers should not be required to warrant that their LNG will never be exported outside of the United States. Similar to Pivotal, Northwest's inland jurisdictional facilities are connected to an inland non-jurisdictional truck-loading facility, not a facility for loading ocean-going, bulk-carrier LNG tankers. Nor will removing this warranty create a regulatory gap. Northwest's Plymouth LNG facilities are subject to the Commission's jurisdiction under Section 7 of the NGA. The trucks carrying LNG away from the Transfuels facilities are subject to the Department of Transportation's regulations, and any entity that wishes to export the LNG must first receive authorization from the Department of Energy's Office of Fossil Energy.

3. Liquids Revenue Crediting Language Removal. Northwest proposes to remove language in Section 20.1 through 20.7 of the GT&C of the Tariff. The referenced section details how the annual liquids revenues received by Northwest are to be credited to all Shippers transporting gas on Northwest's system. The assets that were necessary for Williams Gas Processing Company ("WGP"), or its successor,<sup>5</sup> to process gas received from Northwest have been permanently disconnected, and it is no longer possible for the downstream party to process the gas and extract liquids from the gas received from Northwest.<sup>6</sup> The relevant sheets will be reserved for future use.
4. TF-1 Small Customer Temporary Conversion Election Language. Northwest proposes to update the language in Section 2.1(d) of Rate Schedule TF-1 in reference to TF-1 (Small Customer) temporary conversion elections to TF-1 (Large Customer) service. Northwest seeks to reduce the conversion period notification timeline from "one (1) week prior to the beginning month for which such conversion is to become effective," to one hour prior to the Timely Nomination Cycle for the gas day on which the conversion is to become effective. Northwest is now able to process these requested conversions in a shorter time period.

### ***Filings Pending Before the Commission***

In compliance with 18 CFR § 154.204(f), Northwest states that it has no other tariff filings pending before the Commission that may significantly impact this filing.

### ***Effective Date and Waiver Request***

Northwest hereby moves that the proposed Tariff sheets be made effective July 1, 2019, or at the end of any suspension period which may be imposed by the Commission. Northwest requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing.

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<sup>5</sup> In October 2018, Williams completed the sale of its natural gas gathering and processing assets in the Four Corners area of New Mexico and Colorado, including the Ignacio Plant, to Harvest Midstream Company.

<sup>6</sup> Northwest has terminated the agreement between it and Harvest Midstream Company, as successor to WGP, pursuant to which Northwest's mainline gas would be processed.

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***Procedural Matters***

Pursuant to the applicable provisions in Section 154 of the Commission's regulations, Northwest submits an eTariff .xml filing package, containing the following items:

- Proposed tariff sheets,
- Marked tariff sheets,
- Transmittal letter

***Service and Communications***

In compliance with 18 CFR § 154.7(b), Northwest certifies that copies of this filing have been served electronically upon Northwest's customers and upon interested state regulatory commissions.

All communications regarding this filing should be served by e-mail to:

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The undersigned certifies that the contents of this filing are true and correct to the best of his knowledge and belief; that the paper and electronic versions of the submitted tariff sheets contain the same information; and that he possesses full power and authority to sign this filing.  
Respectfully submitted,

**NORTHWEST PIPELINE LLC**

**David J. Madsen**  
Director, Business Development &  
Regulatory Affairs

Enclosures

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

(a) TF-1 (Large Customer): All rate provisions contained in this Rate Schedule apply to TF-1 (Large Customers).

(b) TF-1 (Small Customer): A TF-1 (Small Customer) is any pipeline or distribution company which elects Rate Schedule TF-1 (Small Customer) service and whose aggregate Transportation Contract Demand, as specified in its Service Agreement(s) hereunder, is for 10,000 Dth per day or less. (A Shipper qualified to elect either the TF-1 (Small Customer) or TF-1 (Large Customer) service hereunder may change its election permanently only in connection with the filing of a general Section 4 rate case by Transporter. Transporter shall provide such Shippers with an opportunity to make such an election prior to filing such rate applications.)

(c) Capacity Release Service is service initiated pursuant to Section 22 of the General Terms and Conditions and an executed Service Agreement for Rate Schedule TF-1 (Large Customer) service.

(d) Any Rate Schedule TF-1 (Small Customer) Shipper may convert all of its service temporarily to TF-1 (Large Customer) service to participate in Transporter's Capacity Release Program without amending its service agreement, provided that such temporary conversion shall be for a minimum term of twelve calendar months. Notice of the intent to so convert temporarily to TF-1 (Large Customer) service must be given to Transporter electronically using the TF-1 (Small Customer) temporary conversion election screen available in Northwest Passage on Transporter's Designated Site at least one (1) hour prior to the Timely Nomination Cycle for the gas day on which the conversion is to become effective~~week prior to the beginning month for which such conversion is to become effective~~. Shipper's temporary conversion election constitutes agreement to the temporary conversion. Any TF-1 (Small Customer) Shipper participating in a temporary conversion to TF-1 (Large Customer) service shall pay all rates and charges applicable to TF-1 (Large Customer) service during the term of such temporary conversion,

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.1(d) (Continued)

~~during the term of such temporary conversion,~~ including reservation charges and surcharges applicable to such Shipper's full Transportation Contract Demand or such other rate to which Transporter and Shipper mutually agree, reduced as applicable by revenue credits applicable to Released Capacity. Any Rate Schedule TF-1 (Small Customer) Shipper which participates in such a temporary conversion shall be entitled to return to Rate Schedule TF-1 (Small Customer) service upon expiration of the term of the temporary conversion requested by such Shipper. However, such Shipper shall not be entitled to release its capacity rights for a term which extends beyond the term of the temporary conversion.

2.2 Transportation Components. Transportation service under this Rate Schedule, which does not include service on Designated Laterals, shall consist of:

(a) The receipt by Transporter for the account of Shipper of Shipper's gas at the Receipt Point(s) specified in the executed Service Agreement;

(b) The transportation of such gas through Transporter's pipeline system for the account of Shipper either directly or by displacement; and

RATE SCHEDULE LS-3F

Liquefaction-Storage, Vaporization and LNG Delivery Service - Firm  
(Continued)

9. LNG DELIVERIES FROM STORAGE (Continued)

9.2 Notice Required. The notice given by Shipper to Transporter for LNG deliveries shall be in accordance with the NAESB WGQ Nominations Related Standards; provided, however, that commencement of actual LNG delivery shall be determined by system operating conditions.

~~9.3 Warranty. Shipper warrants that all LNG delivered to Shipper under this Rate Schedule will at no time be exported outside of the United States.~~

10. TREATMENT OF LNG BOIL-OFF

10.1 Calculation of LNG Boil-off. Shipper will be allocated a pro rata share of monthly LNG Boil-off quantities of gas in Dths by multiplying the monthly Boil-off quantity by the quotient of the Shipper's average daily Storage Capacity Balance for the month and the sum of the average daily Storage Capacity Balances for the month of all Shippers' Service Agreements under Rate Schedules LS-2F, LS-3F and LS-2I.

10.2 LNG Boil-off Balance. Shipper's allocated share of monthly LNG Boil-off will be subtracted from Shipper's Storage Capacity Balance no later than the 15th day of the following month and will be added to Shipper's Boil-off balance due from Transporter. This Boil-off balance will be deemed to be at the Plymouth LNG Facility. Shipper may either choose to nominate the Boil-off balance for re-liquefaction or transport the Boil-off balance from the Plymouth LNG Facility under one of Transporter's transportation rate schedules. Nominations for the re-liquefaction of Boil-off will be subject to both the liquefaction charge and fuel use reimbursement.

10.3 LNG Boil-off Balance Tolerance. The sum of Shipper's Storage Capacity Balance and Shipper's Boil-off balance cannot exceed Shipper's Storage Capacity. Additional tolerances regarding the Boil-off balance are detailed in Section 15 of the General Terms and Conditions.

11. TRANSFER OF STORAGE CAPACITY BALANCE

Shippers subject to this Rate Schedule may agree to transfer all or part of their respective Storage Capacity Balance among themselves. Participating Shippers must notify Transporter's nominations personnel of their intent to transfer such inventory, in writing, prior to the beginning of the gas day in which such transfer will occur. Transfers of Storage Capacity Balances may not result in any given Shipper taking title to inventory volumes that exceed such Shipper's Storage Capacity, unless the participating Shippers before such transfer occurs enter into a Capacity Release arrangement providing for additional Storage Capacity in accordance with Section 22 of the General Terms and Conditions.

RATE SCHEDULE LD-4I  
Liquefaction-LNG Delivery Service - Interruptible  
(Continued)

3.3 Negotiated Rates. Notwithstanding the general provisions of this Section 3, if Transporter and Shipper mutually agree to Negotiated Rates for service hereunder, such Negotiated Rates will apply in lieu of the otherwise applicable rates identified in this Section 3.

3.4 Transportation Charges. The related transportation of gas to the Plymouth LNG Facility shall be subject to separate transportation charges under applicable Rate Schedules. The rates set forth in subparagraphs 3.1 through 3.3 are exclusive of the aforementioned transportation charges.

4. FUEL GAS REIMBURSEMENT

Shipper shall reimburse Transporter for fuel use in-kind, as detailed in Section 14 of the General Terms and Conditions upon liquefaction of Shipper's gas.

5. LIQUEFACTION FOR LNG DELIVERIES

5.1 Shipper may nominate liquefaction for LNG deliveries by specifying the quantity of LNG it desires delivered under this Rate Schedule. Transporter shall deliver the quantity of LNG so nominated, subject to the limitations set forth in this Rate Schedule. Such liquefaction for LNG deliveries will be in accordance with the priority of service and curtailment policy delineated in Section 12 of the General Terms and Conditions.

5.2 The notice given by Shipper to Transporter for liquefaction shall be in accordance with the NAESB WGQ Nominations Related Standards; provided, however, that commencement of actual LNG delivery shall be determined by system operating conditions. Transporter may batch, in its sole discretion, confirmed liquefaction nominations from all Plymouth LNG rate schedule Service Agreements over multiple days in order to operate the liquefiers in an efficient and responsible manner. Once liquefaction begins, Transporter will deliver the batched nominations to each individual Shipper in an operationally efficient manner, subject to system operating conditions.

5.3 Nominations shall be made by Shipper scheduling such tendered volumes on any day as transportation volumes delivered under a Service Agreement for liquefaction.

~~5.4 Warranty. Shipper warrants that all LNG delivered to Shipper under this Rate Schedule will at no time be exported outside of the United States.~~



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15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

In the event an undertake situation exists, Transporter will evaluate operational conditions and determine if immediate relief is needed to return the system to a reasonable operational level. If immediate relief is needed, Transporter will notify each Receiving Party of the quantity required to be taken off the system within the next 72 hours as imbalance make-up to eliminate the underrun imbalances so as to return the system to a reasonable operational level and avoid the imbalance penalty as specified in Section 15.5(c)(ii). Such quantities shall be based upon cumulative underrun imbalances which contributed to the underrun imbalance problem as determined by Transporter's operational data up to the date of the Declared Entitlement Period and calculated for each Receiving Party in proportion to such party's undertakes. Daily unauthorized underrun charges as specified in Section 15.5(c)(i) will also apply if Receiving Party causes additional unauthorized underrun imbalances during a Declared Entitlement Period.

Receiving Party shall pay Transporter for all unauthorized overrun or underrun quantities, as defined in Section 15.5(a) above, that exceed the percentage specified by Transporter in its Declared Entitlement. For a general system or customer-specific Declared Entitlement Period, such percentage will be: (i) in Transporter's sole discretion 3 percent, or, in the case of a Declared Entitlement Period announced on the day it is to be in effect, 5 percent for that day (Stage I), 8 percent (Stage II) or 13 percent (Stage III) of Receiving Party's entitlement as set forth in Section 15.5(b) with respect to unauthorized overrun quantities, and (ii) 5 percent (Stage I), 8 percent (Stage II) or 13 percent (Stage III) of Receiving Party's entitlement as set forth in Section 15.5(b) with respect to unauthorized ~~volumes-quantities~~ underrun volumes-quantities (individually, the "Threshold Percentage").

The following amounts will be payable in addition to the amounts otherwise payable by Receiving Party to Transporter under Transporter's applicable Rate Schedules, subject only to the provisions set forth in (d) below:

- (i) During a general system or customer-specific Declared Entitlement Period, the daily unauthorized overrun or underrun charge will be the product of the daily unauthorized overrun/underrun quantity (i.e., the quantity which exceeds the Threshold Percentage of Receiving Party's entitlement for such day), multiplied by a rate per Dth as set forth in the Statement of Rates of this Tariff.

~~RESERVED FOR FUTURE USE~~ ~~GENERAL TERMS AND CONDITIONS~~  
(Continued)

~~20. LIQUIDS REVENUE CREDITING~~

~~20.1 Applicability. Revenues received by Transporter related to the processing of mainline gas at Williams Gas Processing Company's (WGP) Ignacio Plant will be credited to all Shippers transporting gas on Transporter's system during the applicable time period.~~

~~20.2 Revenues to be Credited. Transporter will credit to eligible Shippers 100 percent of the annual liquids revenues it receives from WGP pursuant to the Joint Offer of Settlement Relating to Gas Processing in Docket No. RP95-409.~~

~~20.3 Distribution Method. Revenue credits will be distributed to all Shippers on a pro rata basis using each Shipper's monthly scheduled transportation quantities, as reflected on Shipper's invoice, as a percentage of the monthly total system transportation quantities for the applicable year. Revenue crediting will be based on all transportation service agreements utilized by each Shipper and not on an individual transportation service agreement basis.~~

~~20.4 Timing of Credits. Payment will be made annually as a credit against each Shipper's February invoice unless Transporter elects to issue checks in February to all Shippers. However, Transporter will issue a check to the Shipper if there is a net credit due the Shipper unless the Shipper requests that the credit be carried over to subsequent invoices due to a de minimis credit amount.~~

~~20.5 Interest. Transporter will pay interest to each Shipper, in accordance with the procedures outlined in Section 154.501(d) of the Commission's regulations, from the date the liquids revenues are received by Transporter each month to the date the annual revenue credits are disbursed to Shipper by check or, in the event of a credit against Shipper's invoice, to the date the invoice is due to be paid.~~

~~20.6 Prior Period Adjustments. For purposes of liquids revenues allocations, any adjustments affecting the transportation quantities for a prior month will be applied to the current month during which the adjustment was made.~~

~~RESERVED FOR FUTURE USE~~~~GENERAL TERMS AND CONDITIONS~~  
(Continued)

~~20. LIQUIDS REVENUE CREDITING~~

~~20.7 Record Retention and Audit Rights. Shippers may audit Transporter's books and records in order to review the calculations related to the allocation and crediting of the liquids revenues. Transporter will maintain books and records supporting its calculations for three years following revenue crediting to its Shippers. If revenue credits are in dispute, Shipper must notify Transporter within six (6) months following payment in accordance with the terms set forth in Section 5.~~

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

(a) TF-1 (Large Customer): All rate provisions contained in this Rate Schedule apply to TF-1 (Large Customers).

(b) TF-1 (Small Customer): A TF-1 (Small Customer) is any pipeline or distribution company which elects Rate Schedule TF-1 (Small Customer) service and whose aggregate Transportation Contract Demand, as specified in its Service Agreement(s) hereunder, is for 10,000 Dth per day or less. (A Shipper qualified to elect either the TF-1 (Small Customer) or TF-1 (Large Customer) service hereunder may change its election permanently only in connection with the filing of a general Section 4 rate case by Transporter. Transporter shall provide such Shippers with an opportunity to make such an election prior to filing such rate applications.)

(c) Capacity Release Service is service initiated pursuant to Section 22 of the General Terms and Conditions and an executed Service Agreement for Rate Schedule TF-1 (Large Customer) service.

(d) Any Rate Schedule TF-1 (Small Customer) Shipper may convert all of its service temporarily to TF-1 (Large Customer) service to participate in Transporter's Capacity Release Program without amending its service agreement, provided that such temporary conversion shall be for a minimum term of twelve calendar months. Notice of the intent to so convert temporarily to TF-1 (Large Customer) service must be given to Transporter electronically using the TF-1 (Small Customer) temporary conversion election screen available in Northwest Passage on Transporter's Designated Site at least one (1) hour prior to the Timely Nomination Cycle for the gas day on which the conversion is to become effective. Shipper's temporary conversion election constitutes agreement to the temporary conversion. Any TF-1 (Small Customer) Shipper participating in a temporary conversion to TF-1 (Large Customer) service shall pay all rates and charges applicable to TF-1 (Large Customer) service during the term of such temporary conversion,

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.1(d) (Continued)

including reservation charges and surcharges applicable to such Shipper's full Transportation Contract Demand or such other rate to which Transporter and Shipper mutually agree, reduced as applicable by revenue credits applicable to Released Capacity. Any Rate Schedule TF-1 (Small Customer) Shipper which participates in such a temporary conversion shall be entitled to return to Rate Schedule TF-1 (Small Customer) service upon expiration of the term of the temporary conversion requested by such Shipper. However, such Shipper shall not be entitled to release its capacity rights for a term which extends beyond the term of the temporary conversion.

2.2 Transportation Components. Transportation service under this Rate Schedule, which does not include service on Designated Laterals, shall consist of:

(a) The receipt by Transporter for the account of Shipper of Shipper's gas at the Receipt Point(s) specified in the executed Service Agreement;

(b) The transportation of such gas through Transporter's pipeline system for the account of Shipper either directly or by displacement; and

RATE SCHEDULE LS-3F

Liquefaction-Storage, Vaporization and LNG Delivery Service - Firm  
(Continued)

9. LNG DELIVERIES FROM STORAGE (Continued)

9.2 Notice Required. The notice given by Shipper to Transporter for LNG deliveries shall be in accordance with the NAESB WGQ Nominations Related Standards; provided, however, that commencement of actual LNG delivery shall be determined by system operating conditions.

10. TREATMENT OF LNG BOIL-OFF

10.1 Calculation of LNG Boil-off. Shipper will be allocated a pro rata share of monthly LNG Boil-off quantities of gas in Dths by multiplying the monthly Boil-off quantity by the quotient of the Shipper's average daily Storage Capacity Balance for the month and the sum of the average daily Storage Capacity Balances for the month of all Shippers' Service Agreements under Rate Schedules LS-2F, LS-3F and LS-2I.

10.2 LNG Boil-off Balance. Shipper's allocated share of monthly LNG Boil-off will be subtracted from Shipper's Storage Capacity Balance no later than the 15th day of the following month and will be added to Shipper's Boil-off balance due from Transporter. This Boil-off balance will be deemed to be at the Plymouth LNG Facility. Shipper may either choose to nominate the Boil-off balance for re-liquefaction or transport the Boil-off balance from the Plymouth LNG Facility under one of Transporter's transportation rate schedules. Nominations for the re-liquefaction of Boil-off will be subject to both the liquefaction charge and fuel use reimbursement.

10.3 LNG Boil-off Balance Tolerance. The sum of Shipper's Storage Capacity Balance and Shipper's Boil-off balance cannot exceed Shipper's Storage Capacity. Additional tolerances regarding the Boil-off balance are detailed in Section 15 of the General Terms and Conditions.

11. TRANSFER OF STORAGE CAPACITY BALANCE

Shippers subject to this Rate Schedule may agree to transfer all or part of their respective Storage Capacity Balance among themselves. Participating Shippers must notify Transporter's nominations personnel of their intent to transfer such inventory, in writing, prior to the beginning of the gas day in which such transfer will occur. Transfers of Storage Capacity Balances may not result in any given Shipper taking title to inventory volumes that exceed such Shipper's Storage Capacity, unless the participating Shippers before such transfer occurs enter into a Capacity Release arrangement providing for additional Storage Capacity in accordance with Section 22 of the General Terms and Conditions.

RATE SCHEDULE LD-4I  
Liquefaction-LNG Delivery Service - Interruptible  
(Continued)

3.3 Negotiated Rates. Notwithstanding the general provisions of this Section 3, if Transporter and Shipper mutually agree to Negotiated Rates for service hereunder, such Negotiated Rates will apply in lieu of the otherwise applicable rates identified in this Section 3.

3.4 Transportation Charges. The related transportation of gas to the Plymouth LNG Facility shall be subject to separate transportation charges under applicable Rate Schedules. The rates set forth in subparagraphs 3.1 through 3.3 are exclusive of the aforementioned transportation charges.

4. FUEL GAS REIMBURSEMENT

Shipper shall reimburse Transporter for fuel use in-kind, as detailed in Section 14 of the General Terms and Conditions upon liquefaction of Shipper's gas.

5. LIQUEFACTION FOR LNG DELIVERIES

5.1 Shipper may nominate liquefaction for LNG deliveries by specifying the quantity of LNG it desires delivered under this Rate Schedule. Transporter shall deliver the quantity of LNG so nominated, subject to the limitations set forth in this Rate Schedule. Such liquefaction for LNG deliveries will be in accordance with the priority of service and curtailment policy delineated in Section 12 of the General Terms and Conditions.

5.2 The notice given by Shipper to Transporter for liquefaction shall be in accordance with the NAESB WGQ Nominations Related Standards; provided, however, that commencement of actual LNG delivery shall be determined by system operating conditions. Transporter may batch, in its sole discretion, confirmed liquefaction nominations from all Plymouth LNG rate schedule Service Agreements over multiple days in order to operate the liquefiers in an efficient and responsible manner. Once liquefaction begins, Transporter will deliver the batched nominations to each individual Shipper in an operationally efficient manner, subject to system operating conditions.

5.3 Nominations shall be made by Shipper scheduling such tendered volumes on any day as transportation volumes delivered under a Service Agreement for liquefaction.



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GENERAL TERMS AND CONDITIONS  
(Continued)

15. DETERMINATION OF DELIVERIES AND IMBALANCES (Continued)

In the event an undertake situation exists, Transporter will evaluate operational conditions and determine if immediate relief is needed to return the system to a reasonable operational level. If immediate relief is needed, Transporter will notify each Receiving Party of the quantity required to be taken off the system within the next 72 hours as imbalance make-up to eliminate the underrun imbalances so as to return the system to a reasonable operational level and avoid the imbalance penalty as specified in Section 15.5(c)(ii). Such quantities shall be based upon cumulative underrun imbalances which contributed to the underrun imbalance problem as determined by Transporter's operational data up to the date of the Declared Entitlement Period and calculated for each Receiving Party in proportion to such party's undertakes. Daily unauthorized underrun charges as specified in Section 15.5(c)(i) will also apply if Receiving Party causes additional unauthorized underrun imbalances during a Declared Entitlement Period.

Receiving Party shall pay Transporter for all unauthorized overrun or underrun quantities, as defined in Section 15.5(a) above, that exceed the percentage specified by Transporter in its Declared Entitlement. For a general system or customer-specific Declared Entitlement Period, such percentage will be: (i) in Transporter's sole discretion 3 percent, or, in the case of a Declared Entitlement Period announced on the day it is to be in effect, 5 percent for that day (Stage I), 8 percent (Stage II) or 13 percent (Stage III) of Receiving Party's entitlement as set forth in Section 15.5(b) with respect to unauthorized overrun quantities, and (ii) 5 percent (Stage I), 8 percent (Stage II) or 13 percent (Stage III) of Receiving Party's entitlement as set forth in Section 15.5(b) with respect to unauthorized underrun quantities (individually, the "Threshold Percentage").

The following amounts will be payable in addition to the amounts otherwise payable by Receiving Party to Transporter under Transporter's applicable Rate Schedules, subject only to the provisions set forth in (d) below:

- (i) During a general system or customer-specific Declared Entitlement Period, the daily unauthorized overrun or underrun charge will be the product of the daily unauthorized overrun/underrun quantity (i.e., the quantity which exceeds the Threshold Percentage of Receiving Party's entitlement for such day), multiplied by a rate per Dth as set forth in the Statement of Rates of this Tariff.

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE