

RATE SCHEDULE IT-1  
Interruptible Transportation

1. AVAILABILITY

This Rate Schedule is available on a first-come, first-served basis to any party (hereinafter called "Shipper") for the transportation of natural gas by Transporter through Transporter's mainline transmission system under the following conditions:

(a) Transporter can render the service requested without need for construction of any additional pipeline facilities, other than such new taps, valves, measurement equipment, or other facilities, such as laterals, required at the Receipt or Delivery Point(s) to effect delivery and measurement of the gas; and

(b) Shipper and Transporter shall have executed a Service Agreement for service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to gas transported by Transporter for Shipper pursuant to the executed Service Agreement for service under this Rate Schedule.

Transportation service under this Rate Schedule 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 on Transporter's pipeline system for the account of Shipper; and

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2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

(c) The delivery of gas in thermally equivalent quantities after transportation (less any lost and unaccounted for gas in accordance with Section 13 of the General Terms and Conditions) by Transporter to Shipper or for the account of Shipper at the Delivery Point(s) specified in the executed Service Agreement.

Transportation service rendered under this Rate Schedule is interruptible, and subject to curtailment or interruption at any time.

3. MONTHLY RATE

Each month, Shipper will pay Transporter for service rendered under this Rate Schedule the amounts specified in this Section 3, as applicable.

3.1 Transportation Service. The sum of (a) and (b) below:

(a) An amount obtained by multiplying (i) the quantity of Dth delivered by Transporter to Shipper after transportation during the month, after reduction for fuel reimbursement provided in-kind in accordance with Section 13 of the General Terms and Conditions, by (ii) the Base Tariff Interruptible Transportation rate as set forth on Sheet No. 4 of this Tariff. Unless specifically adjusted pursuant to Section 3.2 herein, the Maximum Base Tariff Rate set forth on Sheet No. 4 shall apply.

(b) An amount obtained by multiplying (i) the quantity of Dth delivered by Transporter to Shipper after transportation during the month, after reduction for lost and unaccounted for gas in accordance with Section 14 of the General Terms and Conditions, by (ii) the applicable ACA components as set forth on Sheet No. 4 of this Tariff. This charge shall be subject to adjustment in accordance with Section 15 of the General Terms and Conditions.

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3. MONTHLY RATE (Continued)

3.2 Discounted Recourse Rates. Transporter reserves the right to discount at any time the Recourse Rates for any individual Shipper under any service agreement without discounting any other Recourse Rates for that or another Shipper; provided, however, that such discounted Recourse Rates shall not be less than the Minimum Currently Effective Rates set forth on Sheet No. 4 of this Tariff, or any superseding tariff. Such discounted Recourse Rates may apply to specific volumes of gas (such as volumes above or below a certain level or all volumes if volumes exceed a certain level), volumes of gas transported during specific time periods, and volumes of gas transported from specific receipt points and/or to specific delivery points, within specific corridors, or within other defined geographical areas. If Transporter discounts any Recourse Rates to any Shipper, Transporter will file with the Commission any required reports reflecting such discounts.

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.

4. SHIPPER'S MAXIMUM DAILY QUANTITY AND SCHEDULED OVERRUN GAS

The executed Service Agreement shall specify a maximum daily quantity of gas to be transported thereunder for Shipper. The maximum daily quantity refers to the quantity of gas to be delivered by Transporter to Shipper after transportation, at the Delivery Point(s), after lost and unaccounted for gas in accordance with the terms of Section 13 of the General Terms and Conditions.

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4. SHIPPER'S MAXIMUM DAILY QUANTITY AND SCHEDULED OVERRUN GAS  
(Continued)

Upon request of Shipper, on any day Shipper may tender and Transporter, at its option, may accept for transportation hereunder quantities of gas in excess of Shipper's maximum daily quantity ("overrun gas"). However, Transporter will not accept quantities of overrun gas for transportation if it would cause curtailment of service up to maximum daily quantity to any other Shipper under this Rate Schedule. Shipper shall pay for such excess gas transported on any such day the rates set forth on Sheet No. 4, in accordance with Section 3 of this Rate Schedule.

In the event that capacity is available to provide overrun service but not to provide all overrun service requested, interruption of overrun service shall be consistent with Section 12 of the General Terms and Conditions.

5. •BTU BALANCING

Refer to Section 13 of the General Terms and Conditions.

6. SHIPPER'S ARRANGEMENTS PRIOR TO RECEIPT AND AFTER DELIVERY

Refer to Section 13 of the General Terms and Conditions.

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7. RECEIPT AND DELIVERY POINT FLEXIBILITY

Transporter will allow Shipper to utilize any receipt or delivery point(s) available on its system for service under this Rate Schedule. Any Shipper's Service Agreement shall indicate this availability of all system receipt and delivery point(s) for service under this Rate Schedule.

Interruptible Shippers who are bumped by changes to receipt and delivery points by firm Shippers, as specified in Section 10.2(a) of Rate Schedule FT-1, shall have the right to switch receipts or deliveries on a flexible basis to any other available receipt or delivery point, consistent with the priority of service provisions contained in Section 12 and the operating conditions specified in Section 13 of the General Terms and Conditions.

Nominations for interruptible service will be honored at such receipt or delivery points consistent with the priority of service provisions contained in Section 12 of the General Terms and Conditions. The total volumes nominated for all receipt and delivery points must not exceed Shipper's maximum daily quantity, except as otherwise provided in Section 4 of this Rate Schedule.

8. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this Tariff, except Sections 20, 21 and 22 and except as modified in the executed Service Agreement, are applicable to this Rate Schedule and are hereby made a part hereof.