

Table of Contents

First Revised Sheet No. 0	5
First Revised Sheet No. 1	6
Original Sheet No. 2	7
Original Sheet No. 3	8
Original Sheet No. 4	9
Third Revised Sheet No. 5	10
Third Revised Sheet No. 6	11
Original Sheet No. 6A	12
Fourth Revised Sheet No. 7	13
First Revised Sheet No. 8	14
Sheet Nos. 9 - 17	15
Original Sheet No. 18	16
Original Sheet No. 18A	17
Original Sheet No. 18B	18
Original Sheet No. 18C	19
Original Sheet No. 18D	20
Original Sheet No. 18E	21
Original Sheet No. 18F	22
Original Sheet No. 18G	23
Original Sheet No. 18H	24
Original Sheet No. 18I	25
Original Sheet No. 18J	26
Original Sheet No. 18K	27
Original Sheet No. 18L	28
Original Sheet No. 18M	29
Original Sheet No. 18A.01	30
Original Sheet No. 18C.01	31
Original Sheet No. 18F.01	32
Original Sheet No. 19	33
Original Sheet No. 19A	34
Original Sheet No. 19B	35
Original Sheet No. 19C	36
Original Sheet No. 19D	37
Original Sheet No. 19E	38
Original Sheet No. 19F	39
Original Sheet No. 19G	40
Original Sheet No. 19H	41
Original Sheet No. 20	42
Substitute First Revised Sheet No. 21	43
First Revised Sheet No. 22	44
First Revised Sheet No. 23	45
First Revised Sheet No. 24	46
Original Sheet No. 25	47
Original Sheet No. 26	48
Sheet Nos. 27 - 49	49

Original Sheet No. 50	50
Original Sheet No. 51	51
First Revised Sheet No. 52	52
Original Sheet No. 53	53
Sheet Nos. 54 - 79	54
Original Sheet No. 80	55
Original Sheet No. 81	56
Original Sheet No. 82	57
Original Sheet No. 83	58
Original Sheet No. 84	59
Sheet Nos. 85 - 99	60
Third Revised Sheet No. 100	61
Sheet No. 101	62
First Revised Sheet No. 102	63
Second Revised Sheet No. 103	64
First Revised Sheet No. 104	65
Second Revised Sheet No. 105	66
First Revised Sheet No. 106	67
First Revised Sheet No. 107	68
Original Sheet No. 108	69
First Revised Sheet No. 109	70
Original Sheet No. 110	71
First Revised Sheet No. 111	72
First Revised Sheet No. 112	73
First Revised Sheet No. 113	74
First Revised Sheet No. 114	75
Second Revised Sheet No. 115	76
Original Sheet No. 116	77
Second Revised Sheet No. 117	78
Original Sheet No. 118	79
Original Sheet No. 119	80
Original Sheet No. 120	81
First Revised Sheet No. 121	82
Substitute First Revised Sheet No. 122	83
First Revised Sheet No. 123	84
First Revised Sheet No. 124	85
Original Sheet No. 124A	86
Original Sheet No. 124B	87
Original Sheet No. 124C	88
Original Sheet No. 124D	89
First Revised Sheet No. 125	90
Second Revised Sheet No. 126	91
Third Revised Sheet No. 127	92
Second Revised Sheet No. 128	93
First Revised Sheet No. 128A	94
Original Sheet No. 128B	95

Third Revised Sheet No. 129	96
First Revised Sheet No. 130	97
Second Revised Sheet No. 131	98
First Revised Sheet No. 132	99
First Revised Sheet No. 133	100
Second Revised Sheet No. 134	101
First Revised Sheet No. 135	102
First Revised Sheet No. 135A	103
Substitute Second Revised Sheet No. 136	104
Substitute Second Revised Sheet No. 137	105
Original Sheet No. 138	106
Third Revised Sheet No. 139	107
First Revised Sheet No. 140	108
Second Revised Sheet No. 141	109
Original Sheet No. 141A	110
Original Sheet No. 142	111
Original Sheet No. 143	112
Original Sheet No. 144	113
Original Sheet No. 145	114
Original Sheet No. 146	115
Original Sheet No. 147	116
Original Sheet No. 148	117
Original Sheet No. 149	118
First Revised Sheet No. 150	119
Original Sheet No. 151	120
Original Sheet No. 152	121
Third Revised Sheet No. 153	122
Sheet Nos. 154 - 199	123
First Revised Sheet No. 200	124
Original Sheet No. 200A	125
Original Sheet No. 200B	126
Original Sheet No. 201	127
Original Sheet No. 202	128
Original Sheet No. 203	129
Original Sheet No. 204	130
First Revised Sheet No. 205	131
First Revised Sheet No. 206	132
Original Sheet No. 207	133
First Revised Sheet No. 208	134
Original Sheet No. 209	135
First Revised Sheet No. 210	136
Original Sheet No. 211	137
Original Sheet No. 212	138
Original Sheet No. 213	139
Original Sheet No. 214	140
Original Sheet No. 215	141

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First Revised Sheet No. 0 Cove Point LNG Limited Partnership: Second Revised Volume No. 1
First Revised Sheet No. 0 : Effective
Superseding: Original Sheet No. 0

FERC GAS TARIFF

SECOND REVISED VOLUME NO. 1
(Supersedes First Revised Volume No. 1) OF
COVE POINT LNG LIMITED PARTNERSHIP

FILED WITH THE
FEDERAL ENERGY REGULATORY COMMISSION

COMMUNICATIONS CONCERNING THIS TARIFF SHOULD BE ADDRESSED TO:

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TABLE OF CONTENTS

Volume No. 1 -----	Sheet No. -----
Preliminary Statement	3
Map	4
Currently Effective Rates	5
Rate Schedules	
Firm LNG Tanker Discharging Service (LTD-1)	18
Interruptible LNG Tanker Discharging Service (LTD-2)	19
10-Day, 5-Day, 3-Day Firm Peaking Service (FPS-1, FPS-2, FPS-3)	20
Firm Transportation Service (FTS)	50
Interruptible Transportation Service (ITS)	80
General Terms and Conditions	100
Service Agreement Forms	
Form of Service Agreement Under Rate Schedules LTD-1, LTD-2, FPS-1, FPS-2, FPS-3, FTS, and ITS.	200
Appendix A to LTD-1 Service Agreement	200A
Appendix A to LTD-2 Service Agreement	200B
Appendix A to FPS-1, FPS-2 and FPS-3 Service Agreements	201
Appendix A to FTS Service Agreement	203
Appendix A to ITS Service Agreement	204
Appendix B to LTD-1, LTD-2, FPS-1, FPS-2 and FPS-3 Service Agreements	205

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Original Sheet No. 2 Original Sheet No. 2 : Effective

TABLE OF CONTENTS (cont'd)

Volume No. 1 (cont'd)	Sheet No.
Miscellaneous Forms	
Request for Service Form	206
LNG Inventory Transfer Form	210
Assignment Agreement Form	211
Index of Firm Customers	213
Master List of Interconnections	214
Bid for Capacity Release Form	215

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PRELIMINARY STATEMENT

Cove Point LNG Limited Partnership (Operator) is engaged in the business of operating a liquefied natural gas (LNG) facility to receive natural gas or LNG, liquefy natural gas, store LNG, regasify LNG, and deliver natural gas or LNG in interstate commerce under authorization granted by and subject to the jurisdiction of the Federal Energy Regulatory Commission. The facilities operated by Operator consist of an LNG plant located on the western shore of the Chesapeake Bay near Cove Point, Maryland and a natural gas pipeline extending from the LNG plant to Loudoun County, Virginia.

The services set forth herein will be undertaken by Operator only under written contracts acceptable to Operator upon consideration of existing commitments, operational capability, and any other factors deemed pertinent to Operator.

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SYSTEM MAP

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CURRENTLY EFFECTIVE RATES
 APPLICABLE TO RATE SCHEDULES FPS-1 AND FPS-2
 (\$ PER DTH)

	Base Tariff Rate	Annual Charge Adjustment	Total Rate
	-----	-----	-----
Rate Schedule FPS-1			
Maximum Reservation			
Processing/Storage	2.9939	-	
Transmission	0.6759	-	
Total Max. Reservation	3.6698	-	3.6698
Minimum Reservation	0.0000	-	0.0000
Commodity			
Maximum	0.0048	0.0021	0.0069
Minimum	0.0000	0.0021	0.0021
Overrun	0.0222	0.0021	0.0243
Rate Schedule FPS-2			
Maximum Reservation			
Processing/Storage	2.1794	-	
Transmission	0.6759	-	
Total Max. Reservation	2.8553	-	2.8553
Minimum Reservation	0.0000	-	0.0000
Commodity			
Maximum	0.0048	0.0021	0.0069
Minimum	0.0000	0.0021	0.0021
Overrun	0.0222	0.0021	0.0243

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CURRENTLY EFFECTIVE RATES
 APPLICABLE TO RATE SCHEDULES FPS-3, FTS AND ITS
 (\$ PER DTH)

	Base Tariff Rate -----	Annual Charge Adjustment -----	Total Rate -----
Rate Schedule FPS-3			
Maximum Reservation			
Processing/Storage	2.4014	-	
Transmission	0.6759	-	
Total Max. Reservation	3.0773	-	3.0773
Minimum Reservation	0.0000	-	0.0000
Commodity			
Maximum	0.0048	0.0021	0.0069
Minimum	0.0000	0.0021	0.0021
Overrun	0.0222	0.0021	0.0243
Rate Schedule FTS			
Reservation			
Maximum	0.6759	-	0.6759
Minimum	0.0000	-	0.0000
Commodity			
Maximum	0.0000	0.0021	0.0021
Minimum	0.0000	0.0021	0.0021
Overrun	0.0222	0.0021	0.0243
Rate Schedule ITS			
Commodity			
Maximum	0.0222	0.0021	0.0243
Minimum	0.0000	0.0021	0.0021

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Original Sheet No. 6A Original Sheet No. 6A : Effective

CURRENTLY EFFECTIVE RATES
 APPLICABLE TO RATE SCHEDULES LTD-1 AND LTD-2
 (\$ PER DTH)

	Base Tariff Rate -----	Annual Charge Adjustment -----	Total Rate -----
Rate Schedule LTD-1			
Maximum Reservation			
LNG Tanker Discharging Service	3.2306	-	
Transmission	0.6759	-	
Total Max. Reservation	3.9065	-	3.9065
Minimum Reservation	0.0000	-	0.0000
Commodity			
Maximum	0.0048	0.0021	0.0069
Minimum	0.0000	0.0021	0.0021
Authorized Overrun	0.1332	0.0021	0.1353
Rate Schedule LTD-2			
Commodity			
Maximum	0.1332	0.0021	0.1353
Minimum	0.0000	0.0021	0.0021

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Fourth Revised Sheet No. 7 Fourth Revised Sheet No. 7 : Effective
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CURRENTLY EFFECTIVE RATES
 FUEL RETAINAGE FACTORS

Retainage Factors(1)	Injection -----	Withdrawal -----	Section 5(h) -----
Rate Schedule FPS-1 (2)	1.0%	2.0%	2.6%
Rate Schedule FPS-2 (2)	1.0%	2.0%	2.6%
Rate Schedule FPS-3 (2)	1.0%	2.0%	2.6%
Rate Schedule FTS	0.0%	0.0%	
Rate Schedule ITS	0.0%	0.0%	
Rate Schedule LTD-1	1.0%	2.0%	
Rate Schedule LTD-2	1.0%	2.0%	

- (1) Operator shall retain a quantity of natural gas equivalent to the stated percentage factor multiplied by the quantity of natural gas received for transportation or storage. Retainage is calculated based upon the actual transportation fuel used in accordance with Section 1.41 of the General Terms and Conditions.
- (2) Fuel required for liquefaction will be allocated only to Rate Schedule FPS. The fuel required for liquefaction is calculated based upon the actual fuel used in accordance with Section 1.41 of the General Terms and Conditions.

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DAILY RATE FOR CAPACITY RELEASE
UNDER NAESB STANDARD 5.3.22

Rate Schedule FPS-1	\$ 0.12065	/Dth
Rate Schedule FPS-2	\$ 0.09387	/Dth
Rate Schedule FPS-3	\$ 0.10117	/Dth
Rate Schedule FTS	\$ 0.02222	/Dth
Rate Schedule LTD-1	\$ 0.12843	/Dth

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Sheet Nos. 9 - 17 Sheet Nos. 9 - 17 : Effective

SHEET NOS. 9 THROUGH 17 ARE
RESERVED FOR FUTURE USE

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RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE

1. AVAILABILITY

1.1 This Rate Schedule LTD-1 is available to any Buyer for the purchase from Operator of firm LNG tanker discharging service, including unloading, storage, vaporization and delivery of Regasified LNG at Operator's Cove Point LNG terminal, provided that:

(a) Operator has sufficient facilities and capacity available to receive LNG from or on behalf of Buyer without diminishing the level of existing service to other Buyers under Firm Rate Schedules offered by Operator, including this Rate Schedule;

(b) For initial service under Rate Schedule LTD-1, Buyer has submitted a valid request for service under Section 3 (Requests for Service) of the General Terms and Conditions ("GT&C") of this Tariff, Operator has accepted Buyer's request for service, and Buyer has executed a precedent agreement; or

For service after the initiation of Rate Schedule LTD-1, Buyer has submitted a valid request for service under Section 3 of the GT&C, Operator has accepted Buyer's request for service, and Operator has awarded capacity to Buyer under the provisions of Section 4 (Bidding Procedure) of the GT&C;

(c) Buyer and Operator have executed an LTD-1 Service Agreement for firm LNG tanker discharging service under this Rate Schedule; and

(d) Buyer complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 The LNG tanker discharging service provided by Operator under this Rate Schedule shall be performed under Part 284 of the Commission's Regulations and the LTD-1 Service Agreement. Such service shall apply to all LNG discharged from an LNG tanker at the Operator's LNG terminal, stored as LNG, and subsequently delivered as Regasified LNG, or Boil-Off by Operator for Buyer under this Rate Schedule. Operator's maximum daily obligation to deliver Regasified LNG and Boil-Off, the Maximum Daily Delivery Quantity ("MDDQ"), shall be set forth in Buyer's LTD-1 Service Agreement. Service under this Rate Schedule shall be considered to be firm.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.2 Firm LNG tanker discharging service of Operator under this Rate Schedule shall have the priority specified in Section 15 (Capacity and Imbalance Allocation) of the GT&C and shall be subject to interruption only to the extent provided in this Rate Schedule or in Sections 14 (Force Majeure) and 16 (Interruptions of Service) of the GT&C. Service hereunder shall be performed on a nondiscriminatory basis under the Natural Gas Act.

2.3 In accordance with the further provisions of this Rate Schedule, Operator shall receive from or on behalf of Buyer LNG from LNG tanker(s) having specifications as set forth in Section 5.3 of this Rate Schedule LTD-1, provided that Operator shall not be obligated to receive more than Buyer's Maximum Contract Storage Quantity ("MCSQ"). Buyer's MCSQ shall equal [4.78 prior to new storage capacity] [8.51 after new storage capacity in service] x Buyer's MDDQ. Operator shall subsequently deliver to or for Buyer, the thermally equivalent quantity of Natural Gas, less Buyer's allocated share of Retainage and Boil-Off. Buyer shall nominate daily deliveries of Natural Gas, and, pursuant to Sections 6 (Operating Conditions) and 15 (Capacity and Imbalance Allocations) of the GT&C, Operator shall schedule for delivery the Scheduled Daily Delivery Quantities ("SDDQ") of Natural Gas to points of delivery along the Cove Point Pipeline, such SDDQ to include Buyer's share of Boil-Off.

Upon the request of Buyer, Operator shall, on a nondiscriminatory basis, allow nominations in excess of Buyer's MCSQ when in Operator's sole judgment, reasonably exercised, there is unused physical capacity which would allow Operator to accept such excess quantity nominated by Buyer without adversely affecting Operator's firm services to others or operations at the Cove Point Plant (such quantity being referred to herein as "excess storage quantity"). Whenever Operator, in its sole judgment, exercised reasonably and on a nondiscriminatory basis, deems necessary due to operating conditions at the Cove Point Plant or to assure that Operator can render service to firm service Buyers, Operator may, upon notification to Buyer at the earliest possible time, (i) cease receipts from Buyer, in whole or in part, as directed by Operator and (ii) require Buyer within the time period specified by Operator, which period shall be no less than one (1) day, to withdraw all, or any part, of the excess storage quantity, consistent with Operator's withdrawal capabilities as communicated in Operator's notification to Buyer. If Buyer fails to withdraw all or any part of the excess storage quantity equal to the quantity specified in Operator's notification to Buyer by the date specified in such notification, then Operator may retain and take title to the excess storage quantity not timely withdrawn free and clear of any adverse claims, in which case Buyer shall indemnify Operator and hold Operator harmless from all costs, damages, and liabilities arising out of the failure of Buyer to remove such excess storage quantity, including any costs incurred by Operator in excess of any proceeds for the sale of such excess storage quantity and any charges resulting from the sale of the quantity to which Operator takes title hereunder. The value of such excess storage quantity sold by Operator, less any costs incurred by Operator to dispose of such quantity, shall be allocated annually to all other Buyers under this Rate Schedule LTD-1, prorated based upon each such Buyer's fixed cost contributions paid.

2.4 Subject to Section 2.3 and 2.5 of this Rate Schedule LTD-1, at no time shall Operator be obligated to receive LNG from Buyer if such receipt shall cause Buyer's total aggregate quantity of LNG in storage to exceed Buyer's MCSQ.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- 2.6 Buyer shall have the right to release and assign the service rights under its LTD-1 Service Agreement in accordance with Section 10 (Release and Assignment of Service Rights) of the GT&C. Service to an Assignee under any such release and assignment shall be subject to the provisions set forth in this Rate Schedule and in the applicable GT&C. Throughout the term of any release, Releasor(s) and Assignee(s) must comply with the operational requirements of Sections 4 and 5 of this Rate Schedule, including the timing of nominations, agreement on a single tanker delivery schedule prior to submission of the release to Operator, and specification of a single party to submit the proposed schedule to Operator.
- 2.7 Buyer, in addition to the firm LNG tanker discharging service received under this Rate Schedule, may make a one-time election during the term of Buyer's Service Agreement with Operator to receive transportation service under Operator's Rate Schedule FTS ("Elected FTS Service"). In the event Buyer elects to take elected FTS service, transportation of Regasified LNG shall be pursuant to Rate Schedule FTS rather than Rate Schedule LTD-1. The Maximum Firm Transportation Quantity ("MFTQ") for such Elected FTS Service shall not exceed Buyer's MDDQ and the term for such Elected FTS Service shall not extend beyond the term of Buyer's Service Agreement under this Rate Schedule. Buyer may nominate quantities of Natural Gas for receipt and delivery along the Cove Point Pipeline under the Elected FTS Service pursuant to the scheduling provisions of Rate Schedule FTS; provided, however, that the total daily combined quantities flowing under this Rate Schedule and the Elected FTS Service shall not exceed Buyer's MDDQ in any segment of the Cove Point Pipeline. The Reservation Charge to be paid by Buyer each month under the Elected FTS Service shall be credited against Buyer's monthly charge to be paid pursuant to Buyer's Service Agreement with Operator under this Rate Schedule. The Elected FTS Service shall have the same priority for capacity allocations and interruptions as Firm Transportation Service provided by Operator.

3. RATES

- 3.1 All charges for firm LNG tanker discharging service shall be set forth on the Currently Effective Rate Sheets of this Tariff.
- 3.2 For all firm LNG tanker discharging service rendered under this Rate Schedule, Buyer shall pay Operator each month the charges set forth below:
- (a) Reservation Charge: Buyer shall be assessed a monthly reservation charge for the current month on each dth of MDDQ specified in Buyer's Service Agreement.
 - (b) Commodity Charge: Buyer shall be assessed applicable commodity charge(s) per dth of Natural Gas delivered during the prior month to or for the account of Buyer under this Rate Schedule.

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RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

3. RATES (Continued)

- 3.2 (c) Retainage: Operator shall, as compensation for fuel used and lost and unaccounted for, reduce Buyer's Liquefied Gas Balance by a specified percentage. Such percentage shall be specified on the Currently Effective Rate Sheets of this Tariff, as subsequently adjusted in accordance with the GT&C.
- (d) Surcharges: The surcharges applicable to this Rate Schedule.
- (e) Regulatory Fees: Buyer shall pay Operator all fees required or approved by the Commission, or any regulatory body having jurisdiction, related to service provided to Buyer under this Rate Schedule.
- 3.3 If Operator is unable to provide the service required by this Rate Schedule LTD-1 for any reason, including an inability to provide service to Buyer under Elected FTS service, for a period (other than periods of reasonably scheduled maintenance not to exceed ten (10) days in any calendar year) that exceeds either (i) a cumulative total of twenty (20) days in any calendar year, or (ii) three (3) consecutive calendar days, Operator shall provide Buyer with a credit in an amount equal to (a) the cost of common equity and associated income taxes reflected in the Reservation Charge for LNG tanker discharging service under this Rate Schedule LTD-1 multiplied by (b) the quantity of the service that was interrupted or curtailed. Such credit shall be calculated prospectively for the period that the interruption or curtailment of service exceeds the periods set forth above. Notwithstanding the foregoing, in the event that Operator is unable to perform service required by this Rate Schedule LTD-1 solely as a result of the unavailability of any or all of the existing three (3) electric power generators at Operator's facility as of the commencement of Rate Schedule LTD-1 service (the "Original Generators"), then any credit available to Buyer under this Section 3.3 as a result of such inability shall be calculated prospectively beginning with the first day after the continuation of such inability for thirty (30) consecutive calendar days; provided, however, that this exception to the credit requirement shall cease to apply effective as of the date that Operator places in-service electric generation capacity that Operator determines, in its sole judgment, reasonably exercised, and after consultation with Buyers, will create sufficient electric generating capacity, not to exceed 8.5 megawatts, to provide a reasonable level of reserve capacity for the capacity created by the Original Generators taking into account the operational requirements of the Cove Point facility.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

4. NOMINATIONS AND SCHEDULING (Continued)

4.2 LNG Discharging Nominations (Continued)

- (b) Contents of Nominations. Any nomination submitted by Buyer to Operator for the receipt, storage and vaporization of LNG pursuant to this Rate Schedule shall consist of the information specified below. By submitting such nomination, Buyer warrants that it has obtained all necessary regulatory approvals to discharge LNG at the Cove Point terminal.
- (i) Name of LNG tanker(s) scheduled;
 - (ii) Name of loading port(s) and departure date(s) of LNG tanker(s);
 - (iii) Arrival date(s) of LNG tanker(s) at Cove Point;
 - (iv) Quantity of LNG to be discharged;
 - (v) Molecular composition and Heating Value of LNG;
 - (vi) Estimated saturated pressure and temperature of LNG to be discharged; and
 - (vii) Estimated schedule of the disposition of Buyer's discharged LNG, including Boil-Off, less Operator's Retainage quantities, specifying quantities, dates and delivery points in conformance with the provisions of this Rate Schedule, Buyer's Service Agreement and the GT&C.
- (c) Methods of Communication. Any nomination as prescribed above may be submitted to Operator via e-mail, Operator's electronic bulletin board ("EBB"), facsimile transmission or any other method of communication, as mutually agreed between Buyer and Operator, to the person(s) designated to receive such correspondence as set forth in the Service Agreement.
- (d) Additional Information Requirements. Buyer shall comply with requests of Operator for additional information which Operator deems necessary in the performance of service hereunder or needed to comply with the valid reporting or other requirements of the Commission or other regulatory agencies having jurisdiction hereunder. For purposes of such requests, any information which Buyer designates confidential or proprietary shall be treated as such by Operator, unless disclosure is required by applicable law or regulation.
- (e) Changes to Nominations. Buyer shall inform Operator as soon as reasonably practicable, of any circumstance that may result in the arrival at Cove Point or discharging of an LNG tanker(s) on a date(s) other than the date(s) set forth in the then current Annual and/or Monthly Discharge Schedule. In the event of such a circumstance, both Buyer and Operator shall use reasonable efforts to minimize any adverse effects on other Buyers or Operator arising or likely to arise from such circumstance. Buyer shall renominate and Operator shall confirm the changes to the monthly schedule within 24 hours of submission.

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RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

4. NOMINATIONS AND SCHEDULING (Continued)

4.3 LNG Vaporization Nominations

- (a) Buyer shall nominate, up to Buyer's MDDQ, quantities of LNG to be vaporized, including Boil-Off and Retainage, and delivered as Natural Gas to delivery points along Operator's pipeline to or for Buyer's account pursuant to the nominating and scheduling provisions of Section 6 (Operating Conditions) of the GT&C of this Tariff.
- (b) Subject to Section 2.5 of this Rate Schedule LTD-1, upon the request of Buyer, Operator shall, on a nondiscriminatory basis, allow nominations in excess of Buyer's MDDQ when, in Operator's sole judgment, reasonably exercised, there is unused physical vaporization and send-out capacity which will allow Operator to deliver such excess quantity nominated by Buyer without adverse effect on Operator's firm service or operations ("Authorized Overrun Service"). Such Authorized Overrun Service will be charged the Authorized Overrun Service rate applicable to Buyer as set forth on the currently effective Rate Sheet of this Tariff.
- (c) Buyer shall not tender or take gas at an hourly rate in excess of one twenty-fourth (1/24th) of Buyer's SDDQ. Operator may allow variations from this hourly delivery requirement, on a non-discriminatory basis, when it can do so in its reasonable judgment, without adverse effect on Operator's services or operations.

4.4 LNG Discharging Scheduling

- (a) No LNG tanker shall be received or LNG discharging allowed to commence at the Cove Point terminal until Operator has confirmed Buyer's nominations for discharging of LNG as set forth in Sections 4.2(a) and (b) above and scheduled the applicable quantities.
- (b) Once Operator has confirmed a nomination for LNG discharging pursuant to either the Annual or Monthly Discharge Schedule, such service shall not be bumped.

4.5 LNG Vaporization Scheduling

- (a) No LNG shall be vaporized until Operator has confirmed Buyer's vaporization nomination as set forth in Section 4.3 above and scheduled the applicable quantities, as specified in Section 6 (Operating Conditions) of the GT&C.
- (b) Once Operator has confirmed a nomination for LNG vaporization, such service shall not be bumped.

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RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

4. NOMINATIONS AND SCHEDULING (Continued)

4.6 LNG Tanker Arrival Notices

- (a) Buyer shall send or cause to be sent to Operator the following written notices containing an estimated date and hour of arrival of an LNG tanker at the Cove Point terminal and, if necessary, further notification to Operator any time an estimated time of arrival changes by more than twelve (12) hours:
 - (i) first, upon departure from the port of loading, such notice to include an estimate of the quantity of LNG to be discharged;
 - (ii) second, seventy-two (72) hours prior to arrival;
 - (iii) third, forty-eight (48) hours prior to arrival;
 - (iv) fourth, twenty-four (24) hours prior to arrival; and
 - (v) final notice, five (5) hours prior to the estimated time of arrival at the Cove Point terminal.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

5. OPERATING CONDITIONS (Continued)

5.2 LNG Tankers (Continued)

- (b) Buyer's LNG tankers shall be able to unload at an average rate equal to or greater than nine thousand (9000) cubic meters per hour against a head of seventy-five (75) meters of LNG at the point of coupling between Buyer's LNG tanker's discharge manifold and Operator's unloading arms ("Discharge Point").
- (c) The maximum saturation pressure of the cargo shall be no greater than the following, expressed in the respective units: 1100 millibar, 1.36 psi, or 15.95 psia.
- (d) Buyer shall ensure that each LNG tanker be safely manned, operated and maintained in good working order and condition by a competent and reputable operator and shall notify Operator of arrangements made in this respect. Buyer's LNG tanker(s), or LNG tanker(s) delivering LNG on behalf of Buyer, shall comply with all applicable federal state and local laws, rules and regulations, including, but not limited to, those for the protection of the environment. Operator shall not be obligated to provide LNG tanker discharging service for any LNG tanker not in compliance with applicable regulations.
- (e) Each Buyer shall obtain all approvals required from governmental authorities for the LNG tankers to enter and travel in the territorial waters of the United States, to berth and unload their cargoes and to depart from the Operator's facilities and leave the territorial waters of the United States, including, but not limited to, United States Customs Service, the United States Public Health Services, the United States Coast Guard, the United States Immigration and Naturalization Service and the United States Department of Agriculture.

With respect to requests by Buyer during its efforts to obtain the approvals set forth above or any requests by such governmental agencies made directly to Operator during Buyer's efforts to obtain such approvals or during the arrival of a LNG tanker, Operator shall provide good faith cooperation and assistance in obtaining such approvals and responding to any reasonable requests.

- (f) Buyer shall obtain and maintain, or as appropriate shall have the owner, operator or charterer of each LNG tanker obtain and maintain, such insurance coverage as is customary and usual in the LNG shipping industry by a prudent owner (such as hull and machinery, P&I, or their equivalent), operator and/or charterer and such coverage in excess thereof as may be required by operation of applicable law. Buyer may, at its sole option, elect to insure commercially, self insure, or self assume in whole or in part any insurance obligation required of Buyer. Upon request of Operator, Buyer shall provide to Operator satisfactory evidence that the insurance required pursuant to this clause is in effect.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

5. OPERATING CONDITIONS (Continued)

5.3 Port Facilities and LNG Discharging

- (a) Operator shall, subject to Section 5.2(a) above, provide port facilities capable of receiving LNG tankers as follows:
- | | |
|-----------------|--|
| Overall Length: | Between 180.0 meters and 300.00 meters |
| Width: | Between 24.0 meters and 48.5 meters |
| Laden Draft: | No greater than 11.3 meters |
| Capacity: | 70,000 - 140,000 cubic meters of LNG |
- (b) Operator shall make available or cause to be made available to Buyer at the Cove Point terminal, berthing and discharging facilities including:
- (i) mooring equipment;
 - (ii) lighting sufficient to permit customary docking and undocking maneuvers by day or by night to the extent permitted by the port authorities;
 - (iii) unloading arms, pipes and appurtenant facilities permitting the discharging of LNG at an average rate of 10,200 cubic meters per hour and a maximum rate of 12,000 cubic meters per hour, at a discharge pressure of 6 bar gauge at the Discharge Point;
 - (iv) a vapor return line from the shore facilities to the LNG tanker adequate to maintain appropriate operating pressure in the tanks of the LNG tanker; and
 - (v) gangways on the pier to provide access for personnel to and from the LNG tanker.
- (c) The captain of the Buyer's LNG tanker shall give written notice to Operator at the time the LNG tanker is ready to commence discharging LNG. Operator shall take all appropriate measures within its reasonable control to permit the unloading of the LNG tanker as quickly as possible. Unless otherwise permitted by Operator, Buyer's LNG tanker shall depart from the Cove Point pier as soon as discharging operations have finished and the LNG tanker is ready to leave.
- (d) Buyer shall be responsible for the transportation to and from the Cove Point pier of (i) LNG tanker crews and other personnel associated with the LNG tankers; (ii) ships' stores and other goods and equipment needed by the LNG tankers; (iii) liquid nitrogen; (iv) LNG tankers' garbage and refuse; and (v) all other requirements of the LNG tankers. Bunkering of LNG tankers will not be permitted at the Cove Point terminal.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

5. OPERATING CONDITIONS (Continued)

5.3 Port Facilities and LNG Discharging (Continued)

- (e) No LNG tanker shall engage in or cause any repairs, other than minor housekeeping repairs that do not materially affect the operation of an LNG tanker, to be made while berthed at the Cove Point pier without the express prior written consent of Operator, which shall not be unreasonably withheld; provided, however, upon written notice and explanation to Operator, an LNG tanker may make repairs which the United States Coast Guard requires to be made in order for that LNG tanker to travel in United States territorial waters.
- (f) Each LNG tanker shall be allowed a berth time of 32 hours for discharging a cargo of LNG ("Berth Time"). Berth Time shall begin to run at the time the LNG tanker is secure in berth at the Cove Point terminal and end at the time the last line is released upon departure from the berth. Time shall not be counted as Berth Time or wharfage if force majeure, Operator's fault or failure of facilities in discharging the LNG tanker delays the LNG tanker. Operator shall provide notice to Buyer to depart if the LNG tanker has failed to depart at the end of the Berth Time. If the LNG tanker has failed to depart at the time specified in Operator's notice, Buyer shall pay Operator a wharfage fee of \$50,000 per day, prorated hourly, for the period during which the LNG tanker remains at berth beyond the time specified in Operator's notice except to the extent such delay in departing is caused by Operator or an event of force majeure. For the avoidance of doubt, force majeure shall not include, for purposes of this Section 5.3(f), the disability of a tanker if such disabled tanker can be removed from the berth through the exercise of due diligence (including the use of tugs). Wharfage fees collected from LTD-1 and LTD-2 Buyers will be credited to the next monthly invoice of the other LTD-1 Buyers, prorated based upon each such Buyer's fixed cost contributions paid.
- (g) If an LNG tanker does not arrive at the Cove Point terminal as scheduled, Operator shall perform the LNG discharging service at the first available time when such service, including the scheduling, vaporization and delivery of LNG in Operator's storage tanks, can be accomplished without detriment to any other scheduled service.
- (h) Operator's port facility shall include a berth and discharging facilities such that Buyer's LNG tankers that meet the specifications and requirements contained in Sections 5.2(a) and 5.3(a) of this Rate Schedule LTD-1 can safely enter, berth and depart, always afloat, at any time of day. For purposes of this Section 5.3(h), Operator's berth and discharging facilities shall be limited to the area and facilities that are located within Restricted Area 165.502 as identified on U.S. National Oceanic and Atmospheric Administration Chart No. 12264. Buyer, as of the date upon which Buyer originally executed its Service Agreement with Operator, shall inspect Operator's berth and discharging facility, and examine charts of the berth setting forth navigational requirements for vessels calling at that facility and Buyer shall thereafter have the right, but not the obligation, to inspect Operator's berth and discharging facilities, and charts of the berth. Operator will provide Buyer with notice of all known hazards related to the berth at the Cove Point LNG terminal. Operator assumes no liability as a bailee for Buyer's vessel(s) at any time. Operator assumes no responsibility for the inspection of Buyer's vessel while moored or any mooring lines. Notwithstanding any of the foregoing, this Section 5.3(h) shall not be interpreted to either (i) waive any defense that would otherwise be available to Buyer or Operator under general maritime law, nor (ii) relieve either Buyer or Operator of any duty that would otherwise be imposed upon such party under general maritime law.

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RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

5. OPERATING CONDITIONS (Continued)

5.4 Storage and Delivery of LNG

- (a) Operator shall have the unqualified right to commingle LNG received and stored hereunder with LNG from other sources and to treat and handle all such LNG as its own. All receipts, storage and deliveries of LNG or Natural Gas hereunder shall be made on a thermal equivalent basis with proper accounting of Boil-Off and Retainage quantities as provided for herein. Buyer shall make no claim arising from the fact that LNG or Natural Gas delivered by Operator to or for Buyer's account may not consist of the same molecules as those molecules contained in the LNG discharged from Buyer's LNG tanker.
- (b) Buyer may transfer by sale or otherwise all or a portion of its LNG held in Operator's tanks pursuant to the terms and conditions of Section 11 (LNG Inventory Transfers Among Buyers) of the GT&C.
- (c) Buyer's Liquefied Gas Balance shall be (1) increased for receipts by Operator of Buyer's LNG (excluding Regasified LNG returning to Buyer's vessel(s) during discharge of LNG), and (2) reduced by (i) the quantity delivered for Buyer's account, including deliveries of Boil-Off; and (ii) Buyer's Retainage; or (3) increased or reduced as applicable to account for inventory transfers under Section 11 of the GT&C.
- (d) Buyer shall make all necessary arrangements for the delivery of Buyer's share of the Boil-Off on any Day, which share shall be the ratio of Buyer's beginning of day Liquefied Gas Balance to the total quantity of LNG in Operator's tanks attributable to Rate Schedule LTD-1 and LTD-2 Buyers.
- (e) Balancing of actual quantities of LNG received, as adjusted for Retainage, Boil-Off, LNG inventory transfers and vaporized LNG delivered, as adjusted for Retainage, under this Rate Schedule shall be accomplished by adjustments to Buyer's Liquefied Gas Balance.
- (f) Unless otherwise agreed by Operator, within 120 days after a quantity of LNG is discharged by Operator from an LNG tanker for Buyer's account, Buyer shall have caused that quantity to have been vaporized and delivered pursuant to this Rate Schedule and GT&C of this Tariff. If a Buyer fails to withdraw such LNG, then Operator may, at its option, take title to such LNG free and clear of any adverse claims, in which case Buyer shall indemnify Operator and hold it harmless from all costs, damages and liabilities arising out of the failure of Buyer to remove such LNG and all costs incurred for the disposal of such LNG by Operator, including any charges resulting from the sale of LNG to which it takes title hereunder. Operator shall extend the time available for Buyer to remove its LNG from storage by one Day for every Day that Buyer is unable to withdraw properly scheduled quantities due to force majeure, actions or inactions of Operator or operating conditions invoked by Operator. The value less any costs incurred by Operator to dispose of a particular Buyer's LNG which Operator has taken title to under the provisions of Section 5.4(f) will be allocated to the other LTD-1 Buyers annually, prorated based upon each such Buyer's fixed cost contributions paid.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

5. OPERATING CONDITIONS (Continued)

5.4 Storage and Delivery of LNG (Continued)

(g) Buyer shall withdraw, or otherwise dispose of all of its Liquefied Gas Balance by the date Buyer's Service Agreement with Operator terminates. If Buyer fails to withdraw or otherwise dispose of its Liquefied Gas Balance by such date, Operator may retain and take title to such remaining Liquefied Gas Balance free and clear of any adverse claims, in which case Buyer shall indemnify Operator and hold harmless from all costs, damages and liabilities arising out of the failure of Buyer to remove such LNG and all costs incurred for the disposal of such LNG by Operator, including any charges resulting from the sale of LNG to which it takes title hereunder. The value less any costs incurred by Operator to dispose of the LNG which Operator has taken title to under the provisions of Section 5.4(g) will be allocated to the accounts of non-offending LTD-1 Buyers annually, prorated based upon Buyer's fixed cost contributions paid.

5.5 Notwithstanding the quality specifications set forth in Section 8(d) of the General Terms and Conditions ("GT&C") of this Tariff, Buyer shall be entitled to deliver LNG to the Cove Point terminal not meeting such quality specifications to the extent that Operator, in its sole judgment, reasonably exercised, can accept such LNG without adversely affecting Operator's facilities and if applicable, the parties receiving gas from Operator agree to accept gas not meeting the applicable quality specifications.

5.6 Routine Maintenance

Operator shall provide Buyer with a schedule for routine maintenance as soon as practicable but in no event later than three (3) months prior to the deadlines specified in Section 4.2(a) of this Rate Schedule for submission of Buyer's proposed LTD-1 Annual Discharge Schedule. Operator shall notify Buyer of any changes to each schedule for routine maintenance no later than (i) one (1) month prior to the commencement of the originally scheduled maintenance or (ii) the commencement date for the changed maintenance period, whichever occurs sooner.

6. RESPONSIBILITY, WARRANTY AND ASSIGNMENT

6.1 Operator shall be deemed to be in control of and have responsibility for the LNG to be stored by Operator after the receipt thereof by Operator from Buyer, and prior to the delivery of such LNG or vaporized LNG to Buyer. Operator shall be deemed to have no responsibility with respect to such LNG prior to Operator's receipt thereof, or after Operator's delivery of LNG or Natural Gas thereof, to or for Buyer's account.

6.2 Buyer shall be responsible for all port or wharfage fees, pilotage fees, agent fees, taxes, levies or other charges imposed on Buyer's LNG vessels, or the LNG that Buyer delivers to the Cove Point terminal. The term "fees" as used herein, shall mean any fee or charge now or hereafter levied, assessed or made by any governmental authority on the LNG or vaporized LNG itself or on the act, right or privilege of importing, producing, processing, transporting, handling, selling, receiving or delivering LNG or vaporized LNG, however such fees or charges are measured.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

6. RESPONSIBILITY, WARRANTY AND ASSIGNMENT (Continued)

6.3 Neither Operator nor Buyer shall be liable for any indirect or consequential damages incurred by Operator or Buyer or Buyer's Agent in connection with (i) Operator's performance or failure to perform any service available under this Tariff or (ii) Buyer's or Buyer's Agent's performance or failure to perform any obligation under this Tariff. Consequential damages shall include, but not be limited to, lost profits, lost earnings, and special and punitive damages.

6.4 Buyer shall indemnify, defend and hold Operator harmless from and against any and all losses, damages, costs, expenses, claims, suits, actions, proceedings and demurrage or delay arising out of or related to performance or nonperformance in connection with this Tariff by Buyer or operator of Buyer's vessel, the owners thereof or any other third party. In no event shall Buyer indemnify Operator from losses, damages, costs, expenses, claims, suits, actions, proceedings and demurrage or delay which are the result of Operator's negligence, bad faith or willful misconduct.

Operator shall indemnify, defend and hold Buyer harmless from and against any and all losses, damages, costs, expenses, claims, suits, actions, proceedings and demurrage or delay arising out of or related to performance or nonperformance in connection with this Tariff by Operator. In no event shall Operator indemnify Buyer from losses, damages, costs, expenses, claims, suits, actions, proceedings, and demurrage or delay which are the result of Buyer's negligence, bad faith or willful misconduct.

6.5 Operator and Buyer each individually warrant that they shall, at the time of delivery of LNG, vaporized LNG or Natural Gas to the other, have good title to or good right to deliver all such LNG, vaporized LNG or Natural Gas, and that they shall deliver, or cause to be delivered, such LNG, vaporized LNG or Natural Gas free from all liens, encumbrances and claims whatsoever. Except as provided in Sections 6.3 and 6.4 herein, both Operator and Buyer shall, as to the LNG, vaporized LNG or Natural Gas it delivers or causes to be delivered to the other, indemnify and save the other harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims or any and all persons to said LNG, vaporized LNG or Natural Gas and to royalties, taxes, fees or charges thereon.

6.6 As to all matters within its actual or imputed control, Buyer represents and warrants that service hereunder and all arrangements incident thereto conform to applicable regulations, and agrees to indemnify and hold Operator harmless against any and all actions, suits, or proceedings, concerning such service or arrangement, which are brought before or instituted by any authority having jurisdiction, except to the extent such action, suit or proceeding is the result of Operator's negligence, bad faith or willful misconduct.

As to all matters within its actual or imputed control, Operator represents and warrants that service hereunder and all arrangements incident thereto conform to applicable regulations, and agrees to indemnify and hold Buyer harmless against any and all actions, suits or proceedings, concerning such service or arrangement which are brought before or instituted by any authority having jurisdiction, except to the extent such action, suit or proceeding is the result of Buyer's negligence, bad faith or willful misconduct.

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RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

6. RESPONSIBILITY, WARRANTY AND ASSIGNMENT (Continued)

6.7 The Service Agreement shall be binding upon and inure to the benefit of any successor to either Operator or Buyer by merger, consolidation or acquisition. Both Operator and Buyer may assign or pledge the Service Agreement and all rights and obligations thereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which either has executed or may execute hereafter as security for indebtedness or as an assignment of receivables; otherwise, neither Operator nor Buyer shall assign the Service Agreement or any of its rights hereunder unless it shall first have obtained the written consent of the other. Such consent shall not be unreasonably withheld.

7. GENERAL TERMS AND CONDITIONS

All the General Terms and Conditions are applicable to this Rate Schedule and are hereby made part hereof. In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule LTD-1, the provisions of this Rate Schedule LTD-1 shall govern.

8. RESERVATIONS

Operator reserves the right from time to time unilaterally to make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule LTD-1 and the other provisions of Operator's FERC Gas Tariff, and the applicability thereof, including the Form of Service Agreement hereunder, subject to the provisions of the Natural Gas Act and the Commission's regulations thereunder.

9. INSURANCE

Operator shall obtain and maintain such insurance coverage as is customary and usual in the LNG industry for an LNG receiving facility. Upon request of Buyer, Operator shall provide to Buyer satisfactory evidence that the insurance required pursuant to this clause is in effect.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- 2.5 In the event more than one Buyer is receiving firm LNG tanker discharging service under this Rate Schedule LTD-1, any or all of such Buyers may elect to coordinate among themselves their operations at Operator's facilities, including the joint scheduling of LNG arrivals, injections into storage, scheduling of vaporization and other activities required for the use of Operator's facilities. Buyers electing to coordinate operations (such Buyers being referred to herein as "Coordinating Buyers" shall provide Operator with written notice of such election at the time Buyer's Annual Discharge Schedule is due pursuant to Section 4.2(a) (i). Such election shall be effective for the annual period covered by Buyer's Annual Discharge Schedule. Upon making such election, the Coordinating Buyers shall be responsible for ensuring that all scheduling, submission of nominations and notices and other activities required by this Rate Schedule of an individual Buyer are performed by a single party or entity acting on behalf of all Coordinating Buyers ("Single Entity"). The Single Entity appointed to act on behalf of the Coordinating Buyers hereunder may be a particular Buyer or a third party. Coordinating Buyers shall be treated by Operator for all operational purposes, but for operational purposes only and not for any rate, fee or crediting purposes, as a single Buyer having an MDDQ, MCSQ and SDDQ equal to the sum of the individual MDDQs, MCSQs and SDDQs of the Coordinating Buyers.

Operator shall be entitled to rely on the schedules, nominations, notices and other submissions made jointly by the Coordinating Buyers and communicated to Operator by the Single Entity as if they had been made by each Buyer individually, and each Coordinating Buyer shall be bound by the actions taken by the Single Entity. Notwithstanding the appointment of a Single Entity or the decision to act as Coordinating Buyers, each individual Buyer shall remain liable to Operator for all its obligations under the tariff and the applicable service agreement(s) and nothing herein will relieve Buyer from any obligations under the tariff or applicable service agreement(s). Coordinating Buyers shall indemnify and hold Operator harmless from any liabilities, losses, damages, expenses and other obligations of any nature whatsoever arising from disputes or litigation among or between all or any of the Coordinating Buyers and the Single Entity respecting the Single Entity's performance of functions under this Rate Schedule LTD-1.

RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

4. NOMINATIONS AND SCHEDULING

4.1 General. LNG tanker discharging service shall be provided only after Buyer has submitted to Operator nominations for such service in accordance with Sections 4.2 and 4.3 of this LTD-1 Rate Schedule, and Operator has scheduled service in accordance with Sections 4.4 and 4.5 of this LTD-1 Rate Schedule.

4.2 LNG Discharging Nominations

(a) Timing of Nominations

- (i) Annual Discharge Schedule. Buyer shall submit to Operator, no later than three (3) months prior to the anticipated date of first delivery of LNG hereunder and three (3) months prior to the beginning of each successive calendar year, the information specified in Section 4.2(b) and (d) below as well as any additional information Buyer may otherwise provide to Operator pertaining to the coordination and planning of the discharging of LNG tankers at the Cove Point terminal during the upcoming calendar year. Operator shall confirm the annual schedule detailing the name of the LNG tanker, its anticipated arrival date, quantity and quality specifications of the LNG to be discharged at the Cove Point terminal ("Annual Discharge Schedule") as soon as possible thereafter, but in no event later than the earlier of (a) five (5) business days after receiving proposed Annual Discharge Schedules from all Buyers under Rate Schedule LTD-1, or (b) one (1) month prior to the beginning of each such period.
- (ii) Monthly Discharge Schedule. Buyer shall, no later than seven (7) business days prior to each Month, submit to Operator a schedule detailing the name of the LNG tanker, its anticipated arrival date, quantity and quality specifications of the LNG to be discharged by Buyer at the Cove Point terminal during the succeeding month ("Monthly Discharge Schedule") together with a schedule for the two (2) months succeeding that month. Operator will provide confirmation of the Monthly Discharge Schedule as soon as possible, but in no event later than the earlier of (a) two (2) business days after receiving proposed Monthly Discharge Schedules from all Buyers under Rate Schedule LTD-1, or (b) five (5) business days prior to each Month.

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RATE SCHEDULE LTD-1
FIRM LNG TANKER DISCHARGING SERVICE
(Continued)

5. OPERATING CONDITIONS

5.1 General

- (a) Buyer shall make or cause to be made all necessary arrangements with third parties to effectuate (i) delivery to Operator of LNG at the Cove Point terminal, and (ii) receipt by downstream transporters of Natural Gas, all such arrangements consistent with the operation of this Rate Schedule and the GT&C of this Tariff.
- (b) All discharging, storage and vaporization of LNG at the Cove Point terminal shall be carried out in strict conformity with all operating and safety rules and procedures of Operator, as may be amended from time to time, and with all federal, State and local laws, rules and regulations pertaining, but not limited to, operational, environmental, health and safety which may be applicable to the services provided herein.

5.2 LNG Tankers

- (a) Unless otherwise agreed to by Operator, Operator shall only provide LNG discharging service for Buyer's LNG tanker(s) having specifications and characteristics as set forth in Section 5.3(a) of this Rate Schedule LTD-1. Notwithstanding the foregoing sentence, Operator shall be obligated to receive LNG from an LNG tanker not meeting the specifications set forth in Section 5.3(a) if in Operator's sole judgment, reasonably exercised, the tanker is otherwise compatible with the Cove Point terminal facilities. Except for changes required for legal, safety or regulatory reasons, Operator will not file for any change of the specifications in this Section 5.3 without agreement of the majority of LTD-1 Buyers (based upon capacity entitlement). Operator will provide Buyer at least three (3) months notice of changes to the specifications unless shorter notice is required for legal safety or regulatory reasons. Nothing in this section is intended to prevent any LTD-1 Buyer who has not agreed to such proposal from opposing such change before the Commission.

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RATE SCHEDULE LTD-2
INTERRUPTIBLE LNG TANKER DISCHARGING SERVICE

1. AVAILABILITY

1.1 This Rate Schedule LTD-2 is available to any Buyer for the purchase from Operator of interruptible LNG tanker discharging service, including unloading, storage, vaporization and delivery, at Operator's Cove Point LNG terminal, provided that:

- (a) Each buyer of LTD-1 Service has received written notice of such proposed interruptible LNG tanker discharge service at least thirty (30) days prior to the date such service is proposed to be provided, such notice to include the date such service is to be provided, the expected size of the cargo to be received, and the expected quality and heat content of the LNG to be received;
- (b) No later than ten (10) days prior to the date such service is proposed to be provided, no such Buyer of LTD-1 Service has provided written notice to the Operator that, in the reasonable judgment of such LTD-1 Buyer, the proposed interruptible tanker discharge service could adversely affect such LTD-1 Buyer's ability to use its scheduled tanker discharging service as set forth in the Annual Discharge Schedule or Monthly Discharge Schedule, whether by reason of the scheduling of deliveries, the relative quality of LNG being delivered or proposed to be delivered, the availability of vaporization and send-out capacity, port restrictions or otherwise;
- (c) Operator has awarded capacity to Buyer under the provisions of Section 4 (Bidding Procedure) of the General Terms and Conditions ("GT&C") of this Tariff;
- (d) Buyer and Operator have executed an LTD-2 Service Agreement for interruptible LNG tanker discharging service under this Rate Schedule; and
- (e) Buyer complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 The LNG tanker discharging service provided by Operator under this Rate Schedule shall be performed under Part 284 of the Commission's Regulations and the LTD-2 Service Agreement. Such service shall apply to all LNG discharged from an LNG tanker at the Operator's LNG terminal, stored as LNG, and subsequently delivered as vaporized LNG, or Boil-Off by Operator for Buyer under this Rate Schedule. Operator's maximum daily obligation to deliver vaporized LNG and Boil-Off, the Maximum Daily Delivery Quantity ("MDDQ"), shall be set forth in Buyer's LTD-2 Service Agreement. Service under this Rate Schedule shall be considered to be interruptible.

2.2 Interruptible LNG tanker discharging service of Operator under this Rate Schedule shall have the priority specified in Section 15 (Capacity and Imbalance Allocation) of the GT&C and shall be subject to interruption only to the extent provided in this Rate Schedule or in Sections 14 (Force Majeure) and 16 (Interruptions of Service) of the GT&C. Service hereunder shall be performed on a nondiscriminatory basis under the Natural Gas Act.

RATE SCHEDULE LTD-2
INTERRUPTIBLE LNG TANKER DISCHARGING SERVICE
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- 2.3 In accordance with the further provisions of this Rate Schedule, Operator shall receive from or on behalf of Buyer LNG from LNG tanker(s) having specifications as set forth in Section 5.3 of this Rate Schedule LTD-2, provided that Operator shall not be obligated to receive more than Buyer's Maximum Contract Storage Quantity ("MCSQ") as stated in Buyer's LTD-2 Service Agreement. Operator shall subsequently deliver, to or for Buyer, the thermally equivalent quantity of Natural Gas, less Buyer's allocated share of Retainage and Boil-Off. Buyer shall nominate daily deliveries of Natural Gas, and, pursuant to Sections 6 (Operating Conditions) and 15 (Capacity and Imbalance Allocations) of the GT&C, Operator shall schedule for delivery the Scheduled Daily Delivery Quantities ("SDDQ") of Natural Gas to points of delivery along Operator's pipeline, such SDDQ to include Buyer's share of Boil-Off.
- 2.4 At no time shall Operator be obligated to receive LNG from Buyer if such receipt shall cause Buyer's total aggregate quantity of LNG in storage to exceed Buyer's MCSQ specified in Buyer's Service Agreement.

3. RATES

- 3.1 All charges for interruptible LNG tanker discharging service shall be set forth on the Currently Effective Rate Sheets of this Tariff.
- 3.2 For all interruptible LNG tanker discharging service rendered under this Rate Schedule, Buyer shall pay Operator each month the charges set forth below:
- (a) **Commodity Charge:** Buyer shall be assessed applicable commodity charge(s) per dth of Natural Gas delivered during the prior month to or for the account of Buyer under this Rate Schedule.
 - (b) **Retainage:** Operator shall, as compensation for fuel used and lost and unaccounted for, reduce Buyer's Liquefied Gas Balance by a specified percentage. Such percentage shall be specified on the Currently Effective Rate Sheet of this Tariff, as subsequently adjusted in accordance with the GT&C.
 - (c) **Surcharges:** The surcharges applicable to this Rate Schedule.
 - (d) **Regulatory Fees:** Buyer shall pay Operator in advance all fees required by the Commission, or any regulatory body having jurisdiction, related to service provided to Buyer under this Rate Schedule including, but not limited to filing, reporting and application fees.

4. NOMINATIONS AND SCHEDULING

- 4.1 **General.** LNG tanker discharging service shall be provided only after Buyer has submitted to Operator nominations for such service in accordance with Sections 4.2 and 4.3 of this LTD-2 Rate Schedule, and Operator has scheduled service in accordance with Sections 4.4 and 4.5 of this LTD-2 Rate Schedule.

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RATE SCHEDULE LTD-2
INTERRUPTIBLE LNG TANKER DISCHARGING SERVICE
(Continued)

4. NOMINATIONS AND SCHEDULING (Continued)

4.2 LNG Discharging Nominations

- (a) Timing of Nominations. Buyer shall nominate a tanker delivery schedule which shall conform with the time period of available capacity specified in Section 1.1 above.
- (b) Contents of Nominations. Any nomination submitted by Buyer to Operator for the receipt, storage and vaporization of LNG pursuant to this Rate Schedule shall consist of the information specified below. By submitting such nomination, Buyer warrants that it has obtained all necessary regulatory approvals to discharge LNG at the Cove Point terminal.
 - (i) Name of LNG tanker(s) scheduled;
 - (ii) Name of loading port(s) and departure date(s) of LNG tanker(s);
 - (iii) Arrival date of LNG tanker(s) at Cove Point;
 - (iv) Quantity of LNG to be discharged;
 - (v) Molecular composition and Heating Value of LNG;
 - (vi) Estimated saturated pressure and temperature of LNG to be discharged; and
 - (vii) Estimated schedule of the disposition of Buyer's discharged LNG, less Operator's Retainage quantities, including Boil-Off, specifying quantities, dates and delivery points in conformance with the provisions of this Rate Schedule, Buyer's Service Agreement and the GT&C.
- (c) Methods of Communication. Any nomination as prescribed above may be submitted to Operator via e-mail, Operator's electronic bulletin board ("EBB"), facsimile transmission or any other method of communication, as mutually agreed between Buyer and Operator, to the person(s) designed to receive such correspondence as set forth in the Service Agreement.
- (d) Additional Information Requirements. Buyer shall comply with requests of Operator for additional information which Operator deems necessary in the performance of service hereunder or needed to comply with the valid reporting or other requirements of the Commission or other regulatory agencies having jurisdiction hereunder. For purposes of such requests, any information which Buyer considers confidential or proprietary shall be treated as such by Operator, unless disclosure is required by applicable law or regulation.
- (e) Changes to Nominations. Buyer shall inform Operator as soon as reasonably practicable, of any circumstance that may result in the arrival at Cove Point or discharging of an LNG tanker(s) on a date other than the date established pursuant to Sections 4.2 and 4.4. In the event of such a circumstance, both Buyer and Operator shall use reasonable efforts to minimize any adverse effects arising from such circumstance. Buyer shall renominate and Operator shall confirm the changes to the schedule within 24 hours of submission; provided, however, that service under Rate Schedule LTD-2 is only available during the time period specified pursuant to Section 1.1. above.

RATE SCHEDULE LTD-2
INTERRUPTIBLE LNG TANKER DISCHARGING SERVICE
(Continued)

4. NOMINATIONS AND SCHEDULING (Continued)

4.3 LNG Vaporization Nominations

- (a) Buyer shall nominate, up to Buyer's MDDQ, quantities of LNG to be vaporized, including Boil-Off and Retainage, and delivered as Natural Gas to delivery points along Operator's pipeline to or for Buyer's account pursuant to the nominating and scheduling provisions of Section 6 (Operating Conditions) of the GT&C of this Tariff. Operator shall not be obligated to deliver to Buyer a daily quantity in excess of Buyer's MDDQ. Operator may allow nominations in excess of Buyer's MDDQ on a non-discriminatory basis when it can do so, in its reasonable judgment, without adverse effect on Operator's services or operations ("Authorized Overrun Service"). Such Authorized Overrun Service will be charged the Authorized Overrun Rate applicable to Buyer as set forth on the Currently Effective Rate Sheets of this Tariff.
- (b) Buyer shall not tender or take gas at an hourly rate in excess of one twenty-fourth (1/24th) of Buyer's SDDQ. Operator shall allow variations from this hourly delivery requirement, on a non-discriminatory basis when it can do so in its reasonable judgment, without adverse effect on Operator's services or operations.

4.4 LNG Discharging Scheduling

- (a) No LNG tanker shall be received or LNG discharging allowed to commence at the Cove Point terminal until Operator has confirmed Buyer's nominations for both LNG and Natural Gas as set forth in Sections 4.2(a) and (b) above and scheduled the applicable quantities.
- (b) Once Operator has confirmed a nomination for LNG discharging pursuant to this Rate Schedule, such service shall not be bumped.

4.5 LNG Vaporization Scheduling

No LNG shall be vaporized until Operator has confirmed Buyer's vaporization nomination as set forth in Section 4.3 above and scheduled the applicable quantities, as specified in Section 6 (Operating Conditions) of the GT&C.

4.6 LNG Tanker Arrival Notices

Buyer shall send or cause to be sent to Operator the following written notices containing an estimated date and hour of arrival of an LNG tanker at the Cove Point terminal and, if necessary, further notification to Operator any time an estimated time of arrival changes by more than twelve (12) hours:

- (a) first, upon departure from the port of loading, such notice to include an estimate of the quantity of LNG to be discharged;
- (b) second, seventy-two (72) hours prior to arrival;
- (c) third, forty-eight (48) hours prior to arrival;
- (d) fourth, twenty-four (24) hours prior to arrival; and
- (e) final notice, five (5) hours prior to the estimated time of arrival at the Cove Point terminal.

RATE SCHEDULE LTD-2
INTERRUPTIBLE LNG TANKER DISCHARGING SERVICE
(Continued)

5. OPERATING CONDITIONS

5.1 General

- (a) Buyer shall make or cause to be made all necessary arrangements with third parties to effectuate (i) delivery to Operator of LNG at the Cove Point terminal, and (ii) receipt by downstream transporters of LNG or Natural Gas, all such arrangements consistent with the operation of this Rate Schedule and the GT&C of this Tariff.
- (b) All discharging, storage and vaporization of LNG at the Cove Point terminal shall be carried out in strict conformity with all operating and safety rules and procedures of Operator, as may be amended from time to time, and with all federal, state and local laws, rules and regulations pertaining, but not limited to, operational, environmental, health and safety which may be applicable to the services provided herein.

5.2 LNG Tankers

- (a) Unless otherwise agreed to by Operator, Operator shall only provide LNG discharging service for Buyer's LNG tanker(s) having specifications and characteristics as set forth in Section 5.3(a) of this Rate Schedule LTD-2.
- (b) Buyer's LNG tankers shall be able to unload at an average rate equal to or greater than nine thousand (9000) cubic meters per hour against a head of seventy-five (75) meters of LNG at the point of coupling between Buyer's LNG tanker's discharge manifold and Operator's unloading arms ("Discharge Point").
- (c) The maximum saturation pressure of the cargo shall be no greater than the following, expressed in the respective units: 1100 millibar, 1.36 psi, or 15.95 psia.
- (d) Buyer shall ensure that each LNG tanker be safely manned, operated and maintained in good working order and condition by a competent and reputable operator and shall notify Operator of arrangements made in this respect. Buyer's LNG tanker(s), or LNG tanker(s) delivering LNG on behalf of Buyer, shall comply with all applicable federal state and local laws, rules and regulations, including, but not limited to, those for the protection of the environment. Operator shall not be obligated to provide LNG tanker discharging service for any LNG tanker not in compliance with applicable regulations.
- (e) Each Buyer shall obtain all approvals required from governmental authorities for the LNG tankers to enter and travel in the territorial waters of the United States, to berth and unload their cargoes and to depart from the Operator's facilities and leave the territorial waters of the United States, including, but not limited to, United States Customs Service, the United States Public Health Services, the United States Coast Guard, the United States Immigration and Naturalization Service and the United States Department of Agriculture.
- (f) Buyer shall obtain and maintain, or as appropriate shall have the owner, operator or charterer of each LNG tanker obtain and maintain, such insurance coverage as is customary and usual in the shipping industry by a prudent owner (such as hull and machinery, P&I, or their equivalent), operator and/or charterer and such coverage in excess thereof as may be required by operation of applicable law. Upon request of Operator, Buyer shall provide to Operator satisfactory evidence that the insurance required pursuant to this clause is in effect.

RATE SCHEDULE LTD-2
INTERRUPTIBLE LNG TANKER DISCHARGING SERVICE
(Continued)

5. OPERATING CONDITIONS

5.3 Port Facilities and LNG Discharging

- (a) Operator shall, subject to Section 5.2(a), provide port facilities capable of receiving LNG tankers of the following dimensions:
- | | |
|-----------------|---------------------------------------|
| Overall Length: | Between 180.0 meters and 300.0 meters |
| Width: | Between 24.0 meters and 48.5 meters |
| Laden Draft: | No greater than 11.3 meters |
| Capacity: | 70,000 - 140,000 cubic meters of LNG |
- (b) Operator shall make available or cause to be made available to Buyer at the Cove Point terminal, berthing and discharging facilities including:
- (i) mooring equipment;
 - (ii) lighting sufficient to permit customary docking and undocking maneuvers by day or by night to the extent permitted by the port authorities;
 - (iii) unloading arms, pipes and appurtenant facilities permitting the discharging of LNG at an average rate of 10,200 cubic meters per hour and a maximum rate of 12,000 cubic meters per hour, at a discharge pressure of 6 bar gauge at the Discharge Point;
 - (iv) a vapor return line from the shore facilities to the LNG tanker adequate to maintain appropriate operating pressure in the tanks of the LNG tanker; and
 - (v) gangways on the pier to provide access for personnel to and from the LNG tanker.
- (c) The captain of the Buyer's LNG tanker shall give written notice to Operator at the time the LNG tanker is ready to commence discharging LNG. Operator shall take all appropriate measures within its reasonable control to permit the unloading of the LNG tanker as quickly as possible. Unless otherwise permitted by Operator, Buyer's LNG tanker shall depart from the Cove Point pier as soon as discharging operations have finished and the LNG tanker is ready to leave.
- (d) Unless otherwise agreed to by Operator and Buyer, Buyer shall be responsible for the transportation to and from the Cove Point pier and loading and unloading of the following: (i) LNG tanker crews and other personnel associated with the LNG tankers; (ii) ships' stores and other goods and equipment needed by the LNG tankers; (iii) liquid nitrogen; (iv) LNG tankers' garbage and refuse; and (v) all other requirements of the LNG tankers. Bunkering of LNG tankers will not be permitted at the Cove Point terminal.
- (e) No LNG tanker shall engage in or cause any repairs, other than minor housekeeping repairs that do not materially affect the operation of an LNG tanker, to be made while berthed at the Cove Point pier without the express prior written consent of Operator which shall not be unreasonably withheld; provided, however, upon written notice and explanation to Operator, an LNG tanker may make repairs which the United States Coast Guard requires to be made in order for that LNG tanker to travel in United States territorial waters.

RATE SCHEDULE LTD-2
INTERRUPTIBLE LNG TANKER DISCHARGING SERVICE

5. OPERATING CONDITIONS (Continued)

5.3 Port Facilities and LNG Discharging (Continued)

- (f) Each LNG tanker shall be allowed a berth time of 32 hours for discharging a cargo of LNG ("Berth Time"). Berth Time shall begin to run at the time the LNG tanker is secure in berth at the Cove Point terminal and end at the time the last line is released upon departure from the berth. Time shall not be counted as Berth Time or wharfage if Operator's fault or failure of facilities in discharging the LNG tanker delays the LNG tanker. Operator will provide Buyer notice to depart if Buyer has failed to depart at the end of the 32 hours. Should the then-noticed Buyer fail to act upon the notice to depart, Buyer shall pay Operator a wharfage fee of \$50,000 per day, prorated hourly, for the period during which the LNG tanker remains at berth in excess of its Berth Time. Wharfage fees collected from a Buyer will be credited to Rate Schedule LTD-1 Buyers monthly prorated based on each respective LTD-1 Buyer's actual fixed cost contribution.
- (g) If an LNG tanker does not arrive at the Cove Point terminal as scheduled, Operator shall perform the LNG discharging service at the first available time when such service, including the scheduling, vaporization and delivery of LNG in Operator's storage tanks, can be accomplished without detriment to any other scheduled service; and, provided further, that all necessary modifications to the affected Monthly and Annual Discharge Schedules have been agreed upon by all affected parties. Buyer shall pay all costs incurred by Operator as a result of its LNG tanker's failure to arrive at the Cove Point terminal as scheduled.

5.4 Storage and Delivery of LNG

- (a) Operator shall have the unqualified right to commingle LNG received and stored hereunder with LNG from other sources and to treat and handle all such LNG as its own. All receipts, storage and deliveries of LNG or Natural Gas hereunder shall be made on a thermal equivalent basis with proper accounting of Boil-Off and Retainage quantities as provided for herein. Buyer shall make no claim arising from the fact that LNG or Natural Gas delivered by Operator to or for Buyer's account may not consist of the same molecules as those molecules contained in the LNG discharged from Buyer's LNG tanker.
- (b) Buyer may transfer by sale or otherwise all or a portion of its LNG held in Operator's tanks pursuant to the terms and conditions of Section 11 (LNG Inventory Transfers Among Buyers) of the GT&C.
- (c) Buyer's Liquefied Gas Balance shall be (1) increased for receipts by Operator of Buyer's LNG (excluding Boil-Off returning to Buyer's vessel(s) during discharge of LNG), and (2) reduced by (i) the quantity delivered for Buyer's account, including deliveries of Boil-Off; and (ii) Buyer's Retainage; (3) increased or reduced as applicable to account for inventory transfers under Section 11 of the GT&C.
- (d) Buyer shall make all necessary arrangements for the delivery of Buyer's share of the Boil-Off on any Day, which share shall be the ratio of Buyer's beginning of day Liquefied Gas Balance to the total quantity of LNG in Operator's tanks attributable to Rate Schedule LTD-1 and LTD-2 Buyers.

RATE SCHEDULE LTD-2
INTERRUPTIBLE LNG TANKER DISCHARGING SERVICE
(Continued)

5. OPERATING CONDITIONS (Continued)

5.4 Storage and Delivery of LNG (Continued)

- (e) Buyer shall withdraw, or otherwise dispose of all of its Liquefied Gas Balance by the date Buyer's Service Agreement with Operator terminates or by the end of the time period specified pursuant to Section 1.1(a). If Buyer fails to withdraw or otherwise dispose of its Liquefied Gas Balance by such date, Operator may retain and take title to such remaining Liquefied Gas Balance free and clear of any adverse claims, in which case Buyer shall indemnify Operator and hold harmless from all costs, damages and liabilities arising out of the failure of Buyer to remove such LNG and all costs incurred for the disposal of such LNG by Operator, including any changes resulting from the sale of LNG to which it takes title hereunder. The value less any costs incurred by Operator to dispose of the LNG which Operator has taken title to under the provisions of Section 5.4(f) will be allocated to the accounts of Rate Schedule LTD-1 Buyers annually, prorated based upon each LTD-1 Buyer's fixed cost contributions paid.
- (f) Balancing of actual quantities of LNG received, as adjusted for Retainage, LNG inventory transfers and vaporized LNG delivered, as adjusted for Retainage, under this Rate Schedule shall be accomplished by adjustments to Buyer's Liquefied Gas Balance.

6. RESPONSIBILITY, WARRANTY AND ASSIGNMENT

- 6.1 Operator shall be deemed to be in control of and have responsibility for the LNG to be stored by Operator after the receipt thereof by Operator from Buyer, and prior to the delivery of such LNG or vaporized LNG to Buyer. Operator shall be deemed to have no responsibility with respect to such LNG prior to Operator's receipt thereof, or after Operator's delivery of LNG or Natural Gas thereof, to or for Buyer's account.
- 6.2 Buyer shall be responsible for all port or wharfage fees, pilotage fees, agent fees, taxes, levies or other charges imposed on Buyer's LNG vessels, or the LNG that Buyer delivers to the Cove Point terminal. The term "fees" as used herein, shall mean any fee or charge now or hereafter levied, assessed or made by any governmental authority on the LNG or vaporized LNG itself or on the act, right or privilege of importing, producing, processing, transporting, handling, selling, receiving or delivering LNG or vaporized LNG, however such fees or charges are measured.
- 6.3 Operator shall not be liable for any indirect or consequential damages incurred by Buyer in connection with Operator's performance or failure to perform any service available under this Tariff. Consequential damages shall include, but not be limited to, lost profits, lost earnings, and special and punitive damages.
- 6.4 Buyer shall indemnify, defend and hold Operator harmless from and against any and all losses, damages, costs, expenses, claims, suits, actions, proceedings and demurrage or delay arising out of or related to performance or nonperformance in connection with this Tariff by Buyer or Operator of Buyer's vessel, the owners thereof or any other third party. Except to the extent that such losses, damages, costs, expenses, claims, suits, actions, proceedings and demurrage or delay that are the result of Operator's bad faith or willful misconduct.

RATE SCHEDULE LTD-2
INTERRUPTIBLE LNG TANKER DISCHARGING SERVICE
(Continued)

6. RESPONSIBILITY, WARRANTY AND ASSIGNMENT (Continued)

- 6.5 Operator and Buyer each individually warrant that they shall, at the time of delivery of LNG, vaporized LNG or Natural Gas to the other, have good title to or good right to deliver all such LNG, vaporized LNG or Natural Gas, and that they shall deliver, or cause to be delivered, such LNG, vaporized LNG or Natural Gas free from all liens, encumbrances and claims whatsoever. Except as provided in Sections 6.3 and 6.4 herein, both Operator and Buyer shall, as to the LNG, vaporized LNG or Natural Gas it delivers or causes to be delivered to the other, indemnify and save the other harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims or any and all persons to said LNG, vaporized LNG or Natural Gas and to royalties, taxes, fees or charges thereon.
- 6.6 As to all matters within its actual or imputed control, Buyer represents and warrants that service hereunder and all arrangements incident thereto conform to applicable regulations, and agrees to indemnify and hold Operator harmless against any and all actions, suits, or proceedings, concerning such service or arrangement, which are brought before or instituted by any authority having jurisdiction, except to the extent such action, suit or proceedings is the result of Operator's bad faith or willful misconduct.
- 6.7 The Service Agreement shall be binding upon and inure to the benefit of any successor to either Operator or Buyer by merger, consolidation or acquisition. Both Operator and Buyer may assign or pledge the Service Agreement and all rights and obligations thereunder under the provisions of any mortgage, deed of trust, indenture or other instrument which either has executed or may execute hereafter as security for indebtedness or as an assignment of receivables; otherwise, neither Operator nor Buyer shall assign the Service Agreement or any of its rights hereunder unless it shall first have obtained the written consent of the other. Such consent shall not be unreasonably withheld.

7. GENERAL TERMS AND CONDITIONS

All the General Terms and Conditions are applicable to this Rate Schedule and are hereby made part hereof. In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule LTD-2, the provisions of this Rate Schedule LTD-2 shall govern.

8. RESERVATIONS

Operator reserves the right from time to time unilaterally to make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule LTD-2 and the other provisions of Operator's FERC Gas Tariff, and the applicability thereof, including the Form of Service Agreement hereunder, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

Effective Date: 06/14/2000 Status: Effective
FERC Docket: RP00-389-000

Original Sheet No. 20 Original Sheet No. 20 : Effective

RATE SCHEDULES FPS-1, FPS-2, FPS-3
10-Day, 5-Day, 3-Day Firm Peaking Service

1. AVAILABILITY

This rate schedule is available to any Buyer for the purchase from Cove Point LNG Limited Partnership (hereinafter referred to as "Operator") of a firm peaking service consisting of the receipt and liquefaction of Natural Gas, the receipt and storage of liquefied Natural Gas ("LNG"), and the regasification of such LNG and delivery of Natural Gas, provided that the facilities required to render service have been constructed or reactivated and made available for service and, provided further that:

- (a) Operator has sufficient facilities and storage capacity available to receive Natural Gas or LNG from or on behalf of Buyer without diminishing the level of existing service to other Buyers under other firm services offered by Operator including this Rate Schedule;
- (b) Buyer has submitted a valid request for service under Section 3 (Requests for Service) of the General Terms and Conditions, and Operator has (i) accepted Buyer's request for service and (ii) awarded capacity to Buyer under the provisions of Section 4 (Bidding for Available Firm Service) of the General Terms and Conditions; or Buyer has executed a precedent agreement for service pursuant to this Rate Schedule prior to the initial effective date of this Rate Schedule;
- (c) Buyer and Operator have executed the Service Agreement for firm peaking service under this Rate Schedule in the form included in this Tariff; and
- (d) Buyer complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) The peaking service provided by Operator under this Rate Schedule shall be performed under Part 284 of the Commission's Regulations. Such service shall apply to all LNG and Natural Gas received, liquefied, stored as LNG, and subsequently delivered as regasified LNG by Operator for Buyer under this Rate Schedule up to the Maximum Daily Peaking Quantity ("MDPQ"), plus any authorized excess withdrawal quantities, as set forth in Buyer's Service Agreement. Service provided under this Rate Schedule shall be considered to be firm.
- (b) Firm peaking services of Operator under this Rate Schedule shall have the priority specified in Section 15 (Capacity Allocation) of the General Terms and Conditions and shall be subject to interruption to the extent provided in this Rate Schedule or in Section 16 (Interruptions of Service) of the General Terms and Conditions. Peaking service shall be provided by Operator on a nondiscriminatory basis under the Natural Gas Act.

Substitute First Revised Sheet No. 21 Substitute First Revised Sheet No. 21 : Effective
Superseding: Original Sheet No. 21

RATE SCHEDULES FPS-1, FPS-2, FPS-3
10-Day, 5-Day, 3-Day Firm Peaking Service
(Continued)

3. PEAKING SERVICE PROVIDED

- (a) In accordance with the further provisions of this Rate Schedule, Operator shall (i) store as LNG, quantities of Natural Gas received for liquefaction or LNG received by Operator from or on behalf of Buyer during the Injection Season and designated by Buyer as peaking service quantities, up to the Maximum Contract Peaking Quantity ("MCPQ") as set forth in Buyer's Service Agreement, plus Retainage on injection, and (ii) deliver to Buyer during the Withdrawal Season equivalent quantities of regasified LNG less Retainage on withdrawal up to the MCPQ at a daily rate up to one hundred fifteen percent (115%) of Buyer's MDPQ. Buyer's MDPQ under Rate Schedule FPS-1 (10-Day Firm Peaking Service) shall equal one-tenth (1/10) of its MCPQ. Buyer's MDPQ under Rate Schedule FPS-2 (5-Day Firm Peaking Service) shall equal one-fifth (1/5) of its MCPQ. Buyer's MDPQ under Rate Schedule FPS-3 (3-Day Firm Peaking Service) shall equal one-third (1/3) of its MCPQ.
- (b) Operator's maximum obligation to provide peaking service to all Buyers under all peaking service Rate Schedules shall be limited to an aggregate MCPQ of 1.29 MMDth and an aggregate injection quantity of 15,000 Dth per day. Any individual Buyer's annual injection quantity shall not exceed their MCPQ adjusted for Retainage.
- (c) For purposes of establishing Operator's maximum peaking service obligation, all quantities of Natural Gas tendered for liquefaction and/or storage are assumed to have a minimum heating value of 1,030 Btu's per cubic foot. If Natural Gas or LNG tendered by or for Buyer has an actual average heating value of less than 1,030 Btu's per cubic foot, Buyer's MCPQ and MDPQ shall be proportionately adjusted downward.
- (d) Buyer, in addition to the firm peaking service received under this Rate Schedule, may make a one-time election during the term of Buyer's Service Agreement with Operator to receive transportation service under Operator's Rate Schedule FTS ("Elected FTS Service"). The Maximum Firm Transportation Quantity ("MFTQ") for such Elected FTS Service shall not exceed Buyer's MDPQ and the term for such Elected FTS Service shall not extend beyond the term of Buyer's Service Agreement under this Rate Schedule. Buyer may nominate quantities of Natural Gas for receipt and delivery along the Cove Point Pipeline under the Elected FTS Service pursuant to the scheduling provisions of Rate Schedule FTS; provided, however, that the total daily combined quantities flowing under this Rate Schedule (exclusive of Authorized Excess Withdrawal Quantities) and the Elected FTS Service shall not exceed Buyer's MDPQ. The Reservation Charge to be paid by Buyer each month under the Elected FTS Service shall be credited against Buyer's monthly charge to be paid pursuant to Buyer's Service Agreement with Operator under this Rate Schedule. The Elected FTS Service shall have the same priority for capacity allocations and interruptions as firm transportation service provided by Operator under Rate Schedule FTS.

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FERC Docket: RP00-437-000

First Revised Sheet No. 22 First Revised Sheet No. 22 : Effective
Superseding: Original Sheet No. 22

RATE SCHEDULES FPS-1, FPS-2, FPS-3
10-Day, 5-Day, 3-Day Firm Peaking Service
(Continued)

4. RATE

- (a) All charges for firm peaking service shall be set forth in the Currently Effective Rate Sheet of this Tariff.
- (b) For all firm peaking service rendered under this Rate Schedule, Buyer shall pay Operator each month the charges set forth below:
 - (1) **Reservation Charge:** The Maximum Reservation Charge for the current month. The Monthly Reservation Charge shall be assessed on each Dth of MDPQ specified in the Buyer's Service Agreement. If Buyer is a transportation customer under the Elected FTS Service set forth in Section 3(d) above, the monthly charges set forth in Buyer's Service Agreement shall be credited with an amount equal to Buyer's Reservation Charge set forth under Rate Schedule FTS as such charge may be adjusted from time to time by Operator pursuant to the Commission's Regulations. Pursuant to 18 C.F.R. Section 284.8(i) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year. The rate paid in any capacity release transaction not subject to the maximum rate ceiling will not be subject to refund.
 - (2) **Commodity Charge:** The maximum Commodity Charge per Dth of Natural Gas delivered during the prior month to or for the account of Buyer under this Rate Schedule.
 - (3) **Retainage:** In addition to the charges set forth in Paragraph (a) above, Operator shall retain quantities-in-kind of Natural Gas as compensation for fuel used in plant operations (including fuel for liquefaction) and lost and unaccounted for quantities, such quantities being referred to herein as "Retainage." The Retainage quantities-in-kind, expressed as a percentage of Natural Gas or LNG receipts shall be those specified in the Currently Effective Rate Sheet of this Tariff as subsequently adjusted in accordance with the General Terms and Conditions of this Tariff. In no event shall the total Retainage during a Contract Year exceed twenty and one half percent (20.5%) of Buyer's MCPQ. Operator shall adjust the Retainage percentage as described in the General Terms and Conditions.
 - (4) **Surcharges:** The surcharges applicable to this Rate Schedule.
 - (5) **Regulator Fees:** Buyer shall pay Operator in advance all fees required by the Commission or any regulatory body having jurisdiction related to this Service provided to Buyer under this Rate Schedule including, but not limited to, filing, reporting and application fees.

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First Revised Sheet No. 23 First Revised Sheet No. 23 : Effective
Superseding: Original Sheet No. 23

RATE SCHEDULES FPS-1, FPS-2, FPS-3
10-Day, 5-Day, 3-Day Firm Peaking Service
(Continued)

5. DESCRIPTION OF OPERATIONS

- (a) Fifteen (15) days prior to the beginning of (i) the initial Injection Season and (ii) each subsequent Injection Season, Operator shall provide Buyer with an Initial Injection Season Delivery Schedule (the "Delivery Schedule") showing the daily quantity of Natural Gas, including Retainage, to be received by Operator for liquefaction and storage for each Buyer's account each month during the upcoming Injection Season. As soon as practicable, but no later than five (5) days after the Buyer's receipt of the Delivery Schedule, Buyer may either accept the schedule or request Operator to modify the Delivery Schedule and Operator shall, to the extent possible, make such modification if in Operator's reasonable judgement Buyer's request can be implemented consistent with: (i) Operator's anticipated operating plans for the Cove Point LNG Plant, (ii) Operator's contractual obligations to all other Buyers of service under this Rate Schedule who would be affected by the requested modification, and (iii) requests for modification of the Delivery Schedule by all other Buyers under this Rate Schedule. Six (6) business days prior to the upcoming Injection Season, Operator will provide Buyer with a Delivery Schedule so modified (the "Final Delivery Schedule"). Buyer shall make all necessary arrangements to deliver or cause to be delivered daily quantities of Natural Gas to Operator during the upcoming Injection Season pursuant to the Final Delivery Schedule.
- (b) Injections during the Injection Season. Operator agrees to receive, liquefy and inject LNG into storage, for each Buyer's account during the Injection Season, quantities of Natural Gas at the daily delivery rates set forth in the Final Delivery Schedule. It is understood that the Natural Gas for injection into storage as LNG shall be provided by Buyer and delivered to Operator, including Retainage, at existing Receipt Points on Operator's Cove Point Pipeline as set forth in Buyer's Service Agreement and, except for Retainage, title to the Natural Gas or LNG in storage shall not be transferred from Buyer to Operator. Any LNG and Retainage withdrawn by Buyer during the Injection Season, subject to the limitations of this Section 5, shall be deducted from Buyer's Liquefied Gas Balance and shall not be available for withdrawal during the Withdrawal Season unless such quantity is replenished, pursuant to Section 5(c) and/or 5(d) of this Rate Schedule or Section 11 (LNG Inventory Transfers) of the General Terms and Conditions.
- (c) Excess Injections during the Injection Season. If, as a result of withdrawal of LNG from storage during the Injection Season, Buyer's Liquefied Gas Balance will be less than its MCPQ on the first day of the Withdrawal Season, Buyer may request Operator to inject Natural Gas into storage for Buyer's account in excess of the quantities set forth in the Final Delivery Schedule. Operator may make such excess injection if, in Operator's reasonable judgment, such injection can be made without adverse effect on Operator's operation or the scheduled injection of other Buyers' Natural Gas and shall be at such times and such flow rates as may be agreed upon between Operator and Buyer.

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First Revised Sheet No. 24 First Revised Sheet No. 24 : Effective
Superseding: Original Sheet No. 24

RATE SCHEDULES FPS-1, FPS-2, FPS-3
10-Day, 5-Day, 3-Day Firm Peaking Service
(Continued)

5. DESCRIPTION OF OPERATIONS (Continued)

- (d) Injections during the Withdrawal Season. Buyer may request Operator to inject Natural Gas into storage for Buyer's account during a Withdrawal Season. Operator may permit Buyer to schedule Natural Gas for liquefaction and injection into storage tanks during a Withdrawal Season if, in Operator's reasonable judgment, such injection can be made without adverse effect on Operator's operations or the scheduled withdrawals of other Buyers' gas and shall be at such times and such flow rates as may be agreed upon between Operator and Buyer.
- (e) Withdrawals from Storage. When Buyer desires that LNG stored for its account under this Rate Schedule be delivered to it during the Withdrawal Season, unless waived by Operator, Buyer shall, pursuant to the nominating and scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff, give two (2) hours minimum notice prior to 8:00 a.m. to Operator's dispatcher specifying the quantity of regasified LNG desired during the current day including Retainage and the applicable Delivery Point(s). Operator shall deliver to or for Buyer during that day the quantity of regasified LNG so nominated not to exceed one hundred fifteen percent (115%) of Buyer's MDPQ or its remaining Liquefied Gas Balance. Operator shall be obligated to deliver at the daily rate specified by Buyer up to, but not more than one hundred fifteen percent (115%) of Buyer's MDPQ during any day. Operator shall not be obligated to deliver to any Buyer at an hourly rate in excess of one hundred twenty percent (120%) of 1/24th of Buyer's MDPQ.
- (f) Withdrawals in Excess of MDPQ. During the Withdrawal Season, Buyer may nominate, at the time and in the manner specified in sub-paragraph (e), quantities of Natural Gas for Delivery to Buyer from Buyer's Liquefied Gas Balance in excess of Buyer's MDPQ, at a total withdrawal rate not to exceed one hundred fifteen percent (115%) of its MDPQ. Operator will make such deliveries to or for the account of Buyer pursuant to the scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff. All quantities of Natural Gas delivered by Operator each day in excess of Buyer's MDPQ, up to one hundred fifteen percent (115%) of Buyer's MDPQ, shall be Authorized Excess Withdrawal Quantities.
- (g) Withdrawals during Injection Season. Buyer may nominate Natural Gas for delivery to Buyer from Buyer's Liquefied Gas Balance during the Injection Season in a daily amount not to exceed Buyer's MDPQ. Operator will make such deliveries if it can do so in its reasonable judgment, without adverse effect on Operator's firm services or operations. Such nominations shall be made pursuant to the scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff.

RATE SCHEDULES FPS-1, FPS-2, FPS-3
10-Day, 5-Day, 3-Day Firm Peaking Service
(Continued)

5. DESCRIPTION OF OPERATIONS (Continued)

- (h) Storage Turnover. Each Buyer of peaking service under this Rate Schedule shall, unless provided a waiver from Operator, withdraw every twenty-four (24) months, in accordance with the provisions of this Section 5, a minimum quantity of LNG in storage equal to the lower of Buyer's maximum Liquified Gas Balance during the twenty-four month period or Buyer's MCPQ. The first such twenty-four (24) month period shall commence on April 16 of the first Injection Season following commencement of service under this Rate Schedule. If Buyer has not withdrawn all quantities of LNG in storage at the end of the Withdrawal Season, then Operator shall retain as Retainage a quantity of LNG equal to Buyer's Liquefied Gas Balance on April 16 multiplied by the applicable Retainage percentage.
- (i) Elected FTS Service. Buyers that receive service under an Elected FTS Service shall not schedule or deliver daily quantities of Natural Gas for transportation under such Elected FTS Service in excess of Buyer's MDPQ nor shall the total daily combined quantity of Natural Gas nominated and delivered to or for the account of Buyer under this Rate Schedule (exclusive of Authorized Excess Withdrawal Quantities) and such Elected FTS Service exceed Buyer's MDPQ.

6. POSSESSION OF NATURAL GAS AND LNG

Operator shall be deemed to be in control of and have responsibility for the Natural Gas to be stored as LNG by Operator after the receipt thereof by Operator from Buyer or others at Buyer's direction, and prior to the delivery of such Natural Gas to Buyer. Operator shall be deemed to have no responsibility with respect to such Natural Gas or LNG prior to Operator's receipt thereof, or after Operator's delivery of Natural Gas or regasified LNG thereof, to or for Buyer's account.

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Original Sheet No. 26 Original Sheet No. 26 : Effective

RATE SCHEDULES FPS-1, FPS-2, FPS-3
10-Day, 5-Day, 3-Day Firm Peaking Service
(Continued)

7. WARRANTY OF TITLE

Buyer hereby warrants title to all Natural Gas to be delivered to Operator by Buyer, or others at Buyer's direction, under the provisions of this Rate Schedule and the right of Buyer to deliver such Natural Gas, or cause it to be delivered to Operator, and Buyer warrants that all such Natural Gas is owned by Buyer free from all liens, encumbrances and adverse claims whatsoever, including liens to secure payment of any taxes. Buyer agrees to indemnify Operator and save Operator harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any breach of the foregoing warranty. At no time during the Operator's possession of Natural Gas received, stored as LNG, or delivered to or for Buyer's account shall title to Natural Gas pass from Buyer to Operator except for those quantities received by Buyer and retained as Retainage as specified in this Tariff.

8. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby incorporated herein by reference.

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Sheet Nos. 27 - 49 Sheet Nos. 27 - 49 : Effective

SHEET NOS. 27 THROUGH 49 ARE

RESERVED FOR FUTURE USE

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FERC Docket: RP00-389-000

Original Sheet No. 50 Original Sheet No. 50 : Effective

RATE SCHEDULE FTS
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any Buyer for the purchase from Cove Point LNG Limited Partnership (hereinafter referred to as "Operator") of firm transportation service consisting of the receipt and delivery of Natural Gas on the Cove Point Pipeline, provided that:

- (a) Operator has sufficient facilities and transportation capacity available to receive Natural Gas from or on behalf of Buyer and deliver Natural Gas to or for Buyer without diminishing the level of existing service to other Buyers under firm services offered by Operator;
- (b) Buyer has submitted a valid request for service under Section 3 (Requests for Service) of the General Terms and Conditions, and Operator has (i) accepted Buyer's request for service, and (ii) awarded capacity to Buyer under the provisions of Section 4 (Bidding for Available Firm Service) of the General Terms and Conditions or Buyer has executed a precedent agreement for service pursuant to this Rate Schedule prior to the initiation of service hereunder;
- (c) Buyer and Operator have executed an FTS Service Agreement for firm transportation service under this Rate Schedule in the form included in this Tariff; and
- (d) Buyer complies with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) The transportation service provided by Operator under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Such service shall be provided on a firm basis and shall apply to all Natural Gas transported each day by Operator for Buyer under this Rate Schedule, up to the Maximum Firm Transportation Quantity ("MFTQ") set forth in Buyer's FTS Service Agreement.
- (b) Firm transportation services of Operator under this Rate Schedule shall have the priority status specified in Section 15 (Capacity Allocation) and be subject to interruptions to the extent provided in this Rate Schedule or Section 16 (Interruptions of Service) of the General Terms and Conditions. Transportation services shall be provided by Operator to any Buyer in accordance with the terms and conditions of this Rate Schedule, on a nondiscriminatory basis under the Natural Gas Act.
- (c) Firm transportation services under this Rate Schedule shall be available for periods each year of less than twelve (12) consecutive months provided that sufficient capacity and facilities exist to provide such service for the requested period. The term of the Service Agreements for such service shall be established in accordance with Section 5 (Service Agreement) of the General Terms and Conditions.

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FERC Docket: RP00-389-000

Original Sheet No. 51 Original Sheet No. 51 : Effective

RATE SCHEDULE FTS
Firm Transportation Service
(Continued)

3. TRANSPORTATION SERVICE PROVIDED

- (a) In accordance with the further provisions of this Rate Schedule, Operator shall receive Scheduled Daily Receipt Quantities of Natural Gas from or on behalf of Buyer and shall deliver thermally equivalent Scheduled Daily Delivery Quantities, less quantities for Operator's fuel use, losses and unaccounted for purposes (herein referred to as "Retainage"), to or for Buyer. Service under this Rate Schedule shall be provided on a firm basis.
- (b) Operator's maximum obligation to receive Natural Gas for transportation service on any day for Buyer shall be limited to the lesser of (i) Buyer's MFTQ plus Retainage, or (ii) Buyer's Scheduled Daily Receipt Quantity. Operator's maximum obligation to deliver Natural Gas on any day for Buyer under this Rate Schedule shall be the lesser of (i) Buyer's MFTQ, or (ii) Buyer's Scheduled Daily Delivery Quantity, or (iii) the quantity of Natural Gas Operator receives for Buyer less Retainage.
- (c) Buyer shall have the right to release and assign the service rights under its FTS Service Agreement in accordance with Section 10 (Release and Assignment of Service Rights) of the General Terms and Conditions. Service to an assignee under any such release and assignment shall be subject to the provisions set forth in this Rate Schedule and in the applicable General Terms and Conditions.

Effective Date: 06/14/2000 Status: Effective
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First Revised Sheet No. 52 First Revised Sheet No. 52 : Effective
Superseding: Original Sheet No. 52

RATE SCHEDULE FTS
Firm Transportation Service
(Continued)

4. RATE

- (a) All charges for firm transportation service shall be set forth in the Currently Effective Rate sheet of this Tariff.
- (b) For all transportation service rendered under this Rate Schedule, Buyer shall pay Operator each month the charges set forth below:
 - (1) Reservation Charge: The maximum Reservation Charge for the current month. The monthly Reservation Charge shall be assessed on each Dth of MFTQ specified in the Buyer's FTS Service Agreement. Pursuant to 18 C.F.R. Section 284.8(i) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year. The rate paid in any capacity release transaction not subject to the maximum rate ceiling will not be subject to refund.
 - (2) Commodity Charge: The maximum Commodity Charge per Dth of Natural Gas delivered during the prior month to or for the account of Buyer under this Rate Schedule.
 - (3) Retainage: Operator shall retain from Buyer's Natural Gas tendered for transportation hereunder, a percentage as compensation for fuel used and lost and unaccounted for quantities in Operator's operation (Retainage). Such percentage shall be specified in the Currently Effective Rate sheet of this Tariff, as subsequently adjusted in accordance with the General Terms and Conditions of this Tariff.
 - (4) Surcharges: The surcharges applicable to this Rate Schedule.
 - (5) Regulatory Fees: Buyer shall pay Operator in advance all fees required by the Commission, or any regulatory body having jurisdiction, related to service provided to Buyer under this Rate Schedule including, but not limited to, filing, reporting and application fees.

RATE SCHEDULE FTS
Firm Transportation Service
(Continued)

5. NOMINATIONS OF SCHEDULED DAILY RECEIPTS AND DELIVERIES

A Buyer shall nominate quantities of Natural Gas for transportation under its Service Agreement pursuant to the nominating and scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff.

6. POSSESSION OF NATURAL GAS

Operator shall be deemed to be in control of and have responsibility for Natural Gas after the receipt thereof by Operator from Buyer or others at Buyer's direction, and prior to the delivery of such Natural Gas to Buyer. Operator shall have no responsibility with respect to such Natural Gas prior to Operator's receipt thereof, or after Operator's delivery of such, to or for Buyer's account.

7. WARRANTY OF TITLE

Buyer hereby warrants title to all Natural Gas delivered to Operator by Buyer, or others at Buyer's direction, for transportation hereunder and the right of Buyer to deliver such Natural Gas, or cause it to be delivered to Operator, and Buyer warrants that all such Natural Gas is owned by Buyer free from all liens, encumbrances and adverse claims whatsoever, including liens to secure payment of any taxes. Buyer agrees to indemnify Operator and save Operator harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from any breach of the foregoing warranty. At no time during the Operator's possession of Natural Gas received for Buyer's account shall title to Natural Gas pass from Buyer to Operator except for those quantities received by Buyer and retained as Retainage as specified in this Tariff.

8. GENERAL TERMS AND CONDITIONS

All the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Section 11 (LNG Inventory Transfers).

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FERC Docket: RP00-389-000

Sheet Nos. 54 - 79 Sheet Nos. 54 - 79 : Effective

SHEET NOS. 54 THROUGH 79 ARE

RESERVED FOR FUTURE USE

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Original Sheet No. 80 Original Sheet No. 80 : Effective

RATE SCHEDULE ITS
Interruptible Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any Buyer for the purchase from Cove Point LNG Limited Partnership (hereinafter referred to as "Operator") of interruptible transportation service consisting of the receipt and delivery of Natural Gas on the Cove Point Pipeline, provided that:

- (a) Operator has sufficient facilities and transportation capacity available to receive Natural Gas from or on behalf of Buyer and deliver Natural Gas to or for Buyer without diminishing the level of existing service to other Buyers under firm services offered by Operator;
- (b) Buyer has submitted a valid request for service under Section 3 (Requests for Service) of the General Terms and Conditions, and Operator has (i) accepted Buyer's request for service, and (ii) awarded capacity to Buyer under the provisions of this Rate Schedule;
- (c) Buyer and Operator have executed an ITS Service Agreement for interruptible transportation service under this Rate Schedule in the form included in this Tariff; and
- (d) Buyer complies with the provisions of this Rate Schedule and with all other applicable provisions of this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) The transportation service provided by Operator under this Rate Schedule shall be performed under Subpart B or G of Part 284 of the Commission's Regulations. Such service shall be provided on an interruptible basis and shall apply to all Natural Gas transported by Operator for Buyer under this Rate Schedule, up to the Interruptible Transportation Quantity (ITQ) set forth in Buyer's ITS Service Agreement.
- (b) Interruptible transportation services of Operator under this Rate Schedule shall have, subject to the scheduling provisions of this Tariff, the priority status specified in Section 15 (Capacity Allocation) and be subject to interruptions to the extent provided in this Rate Schedule or Section 16 (Interruptions of Service) of the General Terms and Conditions. Transportation services shall be provided by Operator to any Buyer in accordance with the terms and conditions of this Rate Schedule, on a nondiscriminatory basis under the Natural Gas Act.

RATE SCHEDULE ITS
Interruptible Transportation Service
(Continued)

3. TRANSPORTATION SERVICE PROVIDED

- (a) In accordance with the further provisions of this Rate Schedule, Operator shall receive scheduled quantities of Natural Gas from or on behalf of Buyer at Buyer's Receipt Points and shall deliver thermally equivalent scheduled quantities, less quantities for Operator's fuel use, losses and unaccounted purposes (herein referred to as "Retainage"), to or for Buyer at Buyer's Delivery Points. Service provided under this Rate Schedule shall be subject to interruption at any time or as required to provide service to customers under any firm rate schedule.
- (b) Operator's maximum obligation to receive Natural Gas for transportation service on any date for Buyer shall be limited to the lesser of (i) Buyer's ITQ plus Retainage, or (ii) Buyer's Scheduled Daily Receipt Quantity. Operator's maximum obligation to deliver Natural Gas on any day for Buyer under this Rate Schedule shall be the lesser of (i) Buyer's ITQ, or (ii) Buyer's Scheduled Daily Delivery Quantity, or (iii) the quantity of Natural Gas Operator receives for Buyer less Retainage.
- (c) Buyer shall not be permitted to increase its existing flowing quantities under this Rate Schedule, regardless of the Transportation Quantity set forth in Buyer's ITS Service Agreement, if such increase would cause a reduction of existing quantities flowing on Operator's system under any other Service Agreement of equal or higher priority. For purposes of making this determination with regard to requests for increased flowing quantities as of the first Day of a Month, the existing quantities flowing on Operator's system shall be deemed to be those quantities flowing on the fifth business day preceding the first Day of that Month. A scheduled temporary reduction in the quantities being transported, if requested by Buyer and approved by Operator, shall not reduce the level of Buyer's existing quantities flowing on Operator's system for purposes of this paragraph.
- (d) Service rights under an ITS Service Agreement may not be released and assigned.

RATE SCHEDULE ITS
Interruptible Transportation Service
(Continued)

4. BIDDING PROCEDURE

- (a) Operator on a daily basis shall post a notice on its EBB setting forth: (i) the capacity available for bidding under this Rate Schedule, including capacity at applicable receipt and delivery points; and (ii) the Minimum Bid Rate, inclusive of applicable surcharges for such capacity. The Minimum Bid Rate shall not be higher than the total effective Maximum ITS Rate set forth in the Currently Effective Rates sheet of this Tariff. All bids between the Minimum Bid Rate and the Maximum ITS Rate shall be deemed to be selective discounts and shall be reported under any Commission regulations applicable to such selective discounts.
- (b) Buyers seeking to obtain all or a portion of that capacity shall, through Operator's EBB, submit their bids for the capacity to Operator, together with their nominations of service under the provisions of Section 6 of this Rate Schedule ITS. Buyer's bid for capacity under this Rate Schedule shall state the rate Buyer is offering to pay for the service it has nominated in terms of cents per Dth (>/Dth) to the nearest hundredth of a cent (00.00>). Buyer's bid rate shall be no lower than the Minimum Bid Rate and no higher than the total effective Maximum ITS Rate as set forth on the Currently Effective Rates sheet of this Tariff. Operator may reject any bids: (i) for an amount lower than the Minimum Bid Rate; or (ii) from bidders that do not currently have an ITS Service Agreement with Operator.
- (c) Operator shall allocate the capacity available under this Rate Schedule based upon the respective bid rates received for that capacity, and in accordance with the provisions of Section 15 (Capacity Allocation) of the General Terms and Conditions.

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Original Sheet No. 83 Original Sheet No. 83 : Effective

RATE SCHEDULE ITS
Interruptible Transportation Service
(Continued)

5. RATE

- (a) All charges for interruptible transportation service shall be set forth in the Currently Effective Rate Sheet of this Tariff.
- (b) For all transportation service rendered under this Rate Schedule, Buyer shall pay Operator Buyer's Bid Rate each month which shall include the charges set forth below:
 - (1) **Commodity Charge:** The Commodity Charge per Dth of gas delivered during the prior month to or for the account of Buyer under this rate schedule, such charge being no lower than the Total Effective Minimum Rate or higher than the Total Effective Maximum Rate.
 - (2) **Retainage:** Operator shall retain from Buyer's Natural Gas tendered for transportation, a percentage as compensation for fuel used and lost and unaccounted for quantities in Operator's operations (Retainage). Such percentage shall be specified in the Currently Effective Rate Sheet of this Tariff as subsequently adjusted in accordance with the General Terms and Conditions of this Tariff.
 - (3) **Surcharges:** The surcharges applicable to this Rate Schedule.
 - (4) **Regulatory Fees:** Buyer shall pay to Operator in advance all fees required by the Commission, or any regulatory body having jurisdiction, related to service provided to Buyer under this Rate Schedule including, but not limited to, filing, reporting and application fees.

6. NOMINATIONS OF SCHEDULED DAILY RECEIPTS AND DELIVERIES

- (a) A Buyer shall nominate quantities of Natural Gas for transportation under its Service Agreement pursuant to the nominating and scheduling provisions of Section 6 (Operating Conditions) of the General Terms and Conditions of this Tariff.
- (b) Operator shall deliver to Buyer each hour the quantity of Natural Gas requested by Buyer; provided, however, that if the operational integrity of Operator's system or Operator's ability to provide service to any customer under any Rate Schedule is threatened by such deliveries, Operator may, at any time thereafter, require Buyer to accept each hour such quantities of Natural Gas less Retainage as are received each hour for Buyer's account at the Receipt Points.

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RATE SCHEDULE ITS
Interruptible Transportation Service
(Continued)

7. POSSESSION OF NATURAL GAS

Operator shall be deemed to be in control of and have responsibility for Natural Gas after the receipt thereof by Operator from Buyer or others at Buyer's direction, and prior to the delivery of such Natural Gas to Buyer. Operator shall have no responsibility with respect to such Natural Gas prior to Operator's receipt thereof, or after Operator's delivery of such, to or for Buyer's account.

8. WARRANTY OF TITLE

Buyer hereby warrants title to all Natural Gas delivered to Operator by Buyer, or others at Buyer's direction, for transportation hereunder and the right of Buyer to deliver such Natural Gas, or cause it to be delivered to Operator, and Buyer warrants that all such Natural Gas is owned by Buyer free from all liens, encumbrances and adverse claims whatsoever, including liens to secure payment of any taxes. Buyer agrees to indemnify Operator and save Operator harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from any breach of the foregoing warranty. At no time during the Operator's possession of Natural Gas received for Buyer's account shall title to Natural Gas pass from Buyer to Operator except for those quantities received by Buyer and retained as Retainage as specified in this Tariff.

9. GENERAL TERMS AND CONDITIONS

All the General Terms and Conditions are applicable to this Rate Schedule and are hereby made a part hereof, with the exception of Sections 4 (Bidding for Available Firm Service), 10 (Release and Assignment of Service Rights) and 11 (LNG Inventory Transfers).

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Sheet Nos. 85 - 99 Sheet Nos. 85 - 99 : Effective

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GENERAL TERMS AND CONDITIONS
Index to Provisions

SECTION	SHEET NO.
1. Definitions	102
2. Electronic Bulletin Board	106
3. Requests for Service	107
4. Bidding for Available Firm Service	110
5. Service Agreement	112
6. Operating Conditions	113
7. Flexible Primary and Secondary Receipt and Delivery Points	121
8. Natural Gas Quality	122
9. Operating Pressure	124D
10. Release and Assignment of Service Rights	125
11. LNG Inventory Transfers Among Buyers	133
12. Penalties	133
13. Discounting	135
14. Force Majeure	135A
15. Capacity and Imbalance Allocations	136
16. Interruptions of Service	139
17. Operational Flow Orders	141
18. Billing and Payment	141A
19. Measurements and Tests for Delivery of Natural Gas	143
20. Construction of Facilities	150
21. Schedules and Contracts Subject to Regulation and Revision	150
22. Complaint Resolution Procedure	151
23. Annual Charge Adjustment (ACA)	151
24. Notices	152
25. Marketing Affiliate-Shared Personnel & Facilities.....	152
26. Compliance with 18 CFR, Section 284.12.....	153

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Superseding: Original Sheet No. 102

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

The following terms, when used in this Tariff, or any other document referred hereto, are intended and used and shall be construed to have meanings as follows:

- 1.1 "Billing Month": The period of time between any two consecutive final monthly meter readings, and in reference to a calendar month, the month in which the majority of the Billing Month occurs.
- 1.2 "Boil-Off": Shall mean gas (1) boiling off from the Cove Point LNG Plant and (2) flashing from the liquid phase to the gaseous phase during unloading of LNG from Buyer's vessel(s).
- 1.3 "British Thermal Unit" and "Btu": The amount of heat necessary to raise from 59°F to 60°F the temperature of one avoirdupois pound of pure water at a pressure of 14.73 pounds per square inch absolute (psia). "MMBtu" refers to one million Btu's.
- 1.4 "Business Day": Shall mean Monday through Friday excluding Federal banking holidays.
- 1.5 "Buyer": Any purchaser of service offered in this Tariff from Operator.
- 1.6 "Central Clock Time" or "C.T.": Central standard time adjusted for daylight savings time.
- 1.7 "Commission": The Federal Energy Regulatory Commission or any successor agency having jurisdiction over the rates and charges and services hereunder.
- 1.8 "Confirming Party": The entity that Operator shall contact for confirmation purposes. The Confirming party may be an interconnecting operator or upstream/downstream titleholder.
- 1.9 "Contract Year": For purposes of Rate Schedules FPS-1, FPS-2 and FPS-3, the period of twelve (12) consecutive months beginning on April 16 of any calendar year and ending on April 15; and for purposes of Rate Schedules FTS and ITS, the period of twelve (12) consecutive months beginning on the date of initiation of service and each twelve (12) consecutive months thereafter.
- 1.10 "Cove Point Pipeline": The 36-inch O.D. pipeline owned by Operator which extends from the tailgate of the Cove Point LNG Plant to a point of interconnection with the facilities of Columbia Gas Transmission Corporation and Dominion Transmission, Inc. in Loudoun County, Virginia.
- 1.11 "Cove Point LNG Plant": The facilities located at Cove Point, Maryland, which are owned by Operator and are capable of receiving, storing and regasifying LNG and receiving, liquefying and delivering Natural Gas or LNG.
- 1.12 "Day": A period of 24 consecutive hours commencing at 9 a.m. Central Clock Time on any calendar day and ending at 9 a.m. Central Clock Time on the next calendar day.
- 1.13 "Delivery Point(s)": The point(s) where Operator has agreed in the Service Agreement to deliver Natural Gas, Regasified LNG or LNG to or for Buyer's account.

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

- 1.14 "dth" or "Dekatherm": One million (1,000,000) Btu's and shall be the standard unit of quantity.
- 1.15 "Designated Site": The electronic address used to contact an entity for EDI Transmission.
- 1.16 "EDI": Electronic Data Interchange as defined by the standards established by the North American Energy Standards Board ("NAESB") and approved by the Commission, or Operator defined data sets where no NAESB standard exists.
- 1.17 "Elected FTS Service": The Rate Schedule FTS Service offered as an option to all Buyers pursuant to Rate Schedules LTD-1, FPS-1, FPS-2 and FPS-3.
- 1.18 "Electronic Bulletin Board" and "EBB": Operator's computerized system for the posting, sending, receiving of notices and other communications under this Tariff.
- 1.19 "Electronic Measurement": That form of measurement consisting of flow computers or computerized Remote Terminal Units (RTU's), electronic transducers, and associated power, data communications, and other electronic equipment to accomplish the measurement of gas and transfer of data without the use of charts or other paper Recordings.
- 1.20 "Gas Day": A period of 24 consecutive hours beginning at 9:00 a.m. Central Clock Time, and the date at the Gas Day shall be that of its beginning.
- 1.21 "General Terms and Conditions" or "GT&C": The currently effective General Terms and Conditions set forth in this Tariff.
- 1.22 "Heating Value": The gross heating value on a dry basis, which is the number of Btus produced by complete combustion at a constant pressure of the amount of dry gas (gas containing no water vapor) that would occupy a volume of one cubic foot at 14.73 psia and 60°F with air at the same temperature and pressure as the gas, the products of combustion being cooled to the initial temperature of the gas and air, and the water formed by combustion condensed to the liquid state.
- 1.23 "Injection Season": The period beginning April 16 of any calendar year and extending through the succeeding December 14.
- 1.24 "Interconnecting Operator": The entity with physical control of gas either upstream or downstream of Operator's facilities.
- 1.25 "Intra-day Nomination": A nomination submitted after the nomination deadline where effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day.

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

- 1.26 "Liquefied Gas Balance": The quantity of LNG available at any point in time for Buyer's account at such time under Rate Schedules LTD-1, LTD-2, FPS-1, FPS-2 or FPS-3.
- 1.27 "Liquefied Natural Gas" and "LNG": Natural gas in a liquid state at or below its point of boiling and at or near atmospheric pressure.
- 1.28 "Master List of Interconnections" or "MLI": The list of interconnections including Receipt Points and Delivery Points with third parties available for services provided by Operator under this Tariff as maintained on the Operator's EBB on an on-going basis.
- 1.29 "Maximum Contract Peaking Quantity" and "MCPQ": The aggregate quantity of Natural Gas or LNG that Operator has contracted to deliver to Buyer at any point in time pursuant to the terms and conditions of Rate Schedules FPS-1, FPS-2 or FPS-3.
- 1.30 "Maximum Contract Storage Quantity" and "MCSQ": The maximum quantity of LNG that Operator is obligated to store for Buyer's account pursuant to the terms and conditions of Rate Schedules LTD-1 and LTD-2.
- 1.31 "Maximum Daily Delivery Quantity" and "MDDQ": The maximum daily quantity of Regasified LNG, including Boil-off, that Operator has contracted to deliver to Buyer pursuant to the terms and conditions of Rate Schedules LTD-1 and LTD-2.
- 1.32 "Maximum Daily Peaking Quantity" and "MDPQ": The maximum daily quantity of Natural Gas that Operator has contracted to deliver to Buyer under a firm peaking service Rate Schedule, which quantity shall be equal to: one-tenth (1/10) of Buyer's MCPQ for service under Rate Schedule FPS-1; one fifth (1/5) of Buyer's MCPQ for service under Rate Schedule FPS-2; and one-third (1/3) of Buyer's MCPQ for service under Rate Schedule FPS-3.
- 1.33 "Month": The period beginning on the first Gas Day of a calendar month and ending on the first Gas Day of the next succeeding calendar month.
- 1.34 "NAESB": The North American Energy Standards Board.
- 1.35 "Natural Gas": Any saturated hydrocarbon or mixture of saturated hydrocarbons consisting essentially of methane and other combustible and non-combustible gases in a gaseous state.
- 1.36 "Natural Gas Act": 15 U.S.C. ___717-717w as may be amended from time to time.
- 1.37 "OBA": Operation Balancing Agreement between two parties that specifies the procedure for managing operating variances at an interconnect.
- 1.38 "Operator": Cove Point LNG Limited Partnership.
- 1.39 "Receipt Point(s)": The point(s) where Operator has agreed in the Service Agreement to take delivery into its own facilities of Natural Gas or LNG for the account of Buyer.
- 1.40 "Regasified LNG": LNG which has been converted from its liquid state to a gaseous state by virtue of natural boiling or a mechanical vaporization process.

GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

1.41 "Retainage": The quantity of Natural Gas or LNG that Buyer shall provide and Operator shall retain from quantities of Natural Gas or LNG received by Operator from Buyer under all Rate Schedules, as described below, for Operator's fuel use and lost and accounted for quantities. The standard fuel calculation using the retainage (fuel) percentage shall be:

$$\frac{\text{receipt quantity}}{1 - (\frac{\text{retainage percentage}}{100})} - \text{receipt quantity} = \text{retainage quantity}$$

The Retainage under Section 4 of Rate Schedules FTS, FPS-1, FPS-2 and FPS-3, Section 3 of LTD-1 and LTD-2, and Section 5 of ITS shall be assessed as a percentage of the total quantities of Natural Gas or LNG received from Buyers under such Rate Schedules for fuel used in plant operations (including fuel for liquefaction) and lost and unaccounted for quantities. The Retainage collected during each Contract Year under Section 4 of Rate Schedules FPS-1, FPS-2 and FPS-3 shall not exceed twenty and one-half percent (20.5%) of Buyer's deliveries during the Contract Year and, as applicable under Section 5(h) of Rate Schedules FPS-1, FPS-2 and FPS-3, twenty and one-half percent (20.5%) of Buyer's Liquefied Gas Balance on April 16. The Retainage percentages shall be established initially by Operator based upon Operator's best estimate of anticipated operating requirements. NAESB Standard 1.3.28 provides that: "For current in-kind fuel reimbursement procedures, fuel rates shall be made effective only at the beginning of the month." Accordingly, Operator shall adjust the Retainage percentages annually by filing with the Commission on or before March 1 to become effective April 1 or, if operating or other conditions require, at such other times as Operator in its reasonable discretion determines an adjustment is required to prevent excessive over or under recovery of Retainage, such adjustment to become effective on the first day of the month occurring no earlier than thirty (30) days after filing. Each Retainage filing shall establish revised percentages based upon Operator's estimate of operating requirements for the succeeding twelve (12) month period, as adjusted for quantities retained either over or under actual quantities required by Operator during the preceding twelve (12) months.

Upon termination of service under each firm Rate Schedule, Buyer shall deliver to Operator at Buyer's Receipt Point, Buyer's pro rata share of under-recovered Retainage quantities from the effective date of Operator's most recent adjustment filing through the date of termination or, as the case may be, Operator shall provide Buyer at Buyer's Delivery Point, Buyer's pro rata share of any excess quantities retained by Operator from the effective date of Operator's most recent adjustment filing through the date of termination. Operator's currently effective Retainage percentages shall be posted on Operator's EBB.

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GENERAL TERMS AND CONDITIONS
(Continued)

1. DEFINITIONS (Continued)

- 1.42 "Service Agreement": The agreement between Buyer and Operator for service provided under a Rate Schedule in this Tariff.
- 1.43 "Withdrawal Season": The period beginning December 15 of any calendar year and extending through the succeeding April 15.

2. ELECTRONIC BULLETIN BOARD

- (a) In General. Operator shall operate and make available to Buyers and other third parties, as set forth below, an electronic communications system ("Electronic Bulletin Board" or "EBB") which will comply with the electronic communication standards set forth in Section 284.10 of the Commission's Regulations. All Buyers of service under any of Operator's Rate Schedules shall have the capability to make use of Operator's EBB as required by this Tariff. Operator shall make the EBB available on a nondiscriminatory basis to any party with compatible electronic equipment. All Buyers and parties making use of Operator's EBB shall be bound by and comply with the procedures governing its use as established by Operator from time to time.
- (b) Operation. The EBB will provide, among other things, (i) a search function for locating information relating to specific transactions, and (ii) a menu that will enable parties to separately access notices of available capacity, records of each transaction entered in the applicable log, and standards of conduct. Operator will permit parties to download files from the EBB system so the contents can be reviewed in detail without tying up access to the system. Operator will create and maintain archived back-up records of the information displayed on the EBB for no less than three years, and will permit parties reasonable access to those records. Operator will, however, periodically purge from current files archived information regarding completed transactions. Information that has been purged from the EBB system will be archived and will, for at least three (3) years, be available in hard copy for inspection by appointment during regular business hours at Operator's principal place of business.
- (c) Communications. The EBB shall be used to communicate Buyer's initial and revised Natural Gas nominations, confirmations of Buyer's nominations, and other data or notices required by this Tariff. After notice by Operator, the following types of communication may be permitted: notices not currently required to be given through the EBB, service agreements and amendments, and such other communications as the parties may agree in writing. Where electronic communications are required by this Tariff, Operator may waive the requirements and accept such communications in another acceptable format on a nondiscriminatory basis.

GENERAL TERMS AND CONDITIONS
(Continued)

2. ELECTRONIC BULLETIN BOARD (Continued)

- (d) Information Available. The EBB will permit parties to obtain
- (1) Information concerning the availability of capacity for peaking and transportation services, and whether the capacity is available directly from Operator or through Buyer's capacity release.
 - (2) A listing of Receipt Points and Delivery Points on Operator's system (the "Master List of Interconnections" or "MLI"), including the following information: (1) designation of Receipt/Delivery Point; (ii) location of Receipt/Delivery Point; (iii) delivery point operator's name and phone number; (iv) total firm capacity subscribed at the point; and (v) whether the point is measured by Operator or a third party or is subject to a Predetermined Allocation Method ("PDA").
 - (3) The party's Liquefied Gas Balance under Rate Schedules LTD-1, LTD-2, FPS-1, FPS-2 and FPS-3.
 - (4) Operator's currently effective FERC Gas Tariff; and policies and data logs required under 18 CFR Section 161.
- (e) Limitation. The EBB shall be employed by Buyers and other parties for uses identified in this Section and elsewhere in this Tariff. All other types of communications should be transmitted by the means otherwise prescribed in the tariff.

3. REQUESTS FOR SERVICE

- (a) Request for Service Form. Requests for new or increased levels of service under any of Operator's Rate Schedules, or for amended Service Agreements reflecting changes other than in quantities, shall be made by fully completing a Request for Service Form in the form included in this Tariff. The completed Request shall be sent to Operator by methods of delivery approved by Operator.
- (b) In General. To make a valid request for service, a party seeking service from Operator (Requestor) shall submit, in addition to a completed Request for Service Form, the data required by Paragraph (c) below. Operator may, however, waive the requirements of all or any part of Paragraph (c). A Requestor that is an existing Buyer on Operator's system shall not be required to provide the information required by Paragraph (c) in order to make a new request for service, provided, however, that Operator may require an existing Buyer to furnish any information necessary to make a creditworthiness determination with respect to that Buyer/Requestor's new request for service. A request for service shall not be valid until Operator has received from Requestor a completed Request for Service Form and, unless waived by Operator or not required under the provisions of this Section, all of the information required or requested under Paragraph (c) below.

GENERAL TERMS AND CONDITIONS
(Continued)

3. REQUESTS FOR SERVICE (Continued)

- (c) Credit Data. Except as provided in Section (b) above, Requestor shall submit with its completed Request for Service Form the following credit evaluation data:
- (i) a copy of Requestor's current financial statement prepared within the twelve months preceding the date of the request for service;
 - (ii) a copy of Requestor's most recent Annual Report and, if applicable, most recent Forms 10-Q and 10-K; provided that if Requestor has no Annual Report or Forms 10-Q or 10-K it must provide its most recent audited financial statement and financial report, any current filings with other regulatory agencies that discuss Requestor's financial condition, and a detailed business description that includes Requestor's corporate form, the number of years or months it has been in business, the nature of its business, and the number of its employees;
 - (iii) a list of Requestor's affiliates, including any parent and subsidiary companies;
 - (iv) the names, addresses and telephone numbers of three trade references with whom Operator may make reasonable inquiry into Requestor's creditworthiness, and copies of any available reports from credit reporting and bond rating agencies;
 - (v) names, addresses, and telephone numbers of bank references;
 - (vi) disclosure of past or pending bankruptcy or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of Requestor; and
 - (vii) any other data Buyer desires to submit that would assist Operator in determining creditworthiness.

In lieu of submitting all or any part of the data required by this Section (c), a Requestor that has submitted such data to Operator within the past twelve (12) months may certify that all or any part of such data has not changed in any manner material to creditworthiness and may update items that have materially changed.

- (d) Advance Determinations. A prospective Buyer, or existing Buyer may submit the data required in this Section 3 for an advance determination of creditworthiness by Operator prior to bidding for or requesting new or increased service.
- (e) Deficient Requests. Operator shall promptly notify a Requestor whose request is deficient. Such notice shall identify the deficiencies that must be corrected in order to make a valid request to Operator. If the deficient information is supplied within fifteen (15) days, then the Request shall be considered complete as originally filed.
- (f) Material Changes. If any information provided by Requestor pursuant to this Section materially changes, Requestor shall provide Operator with prompt written notification of such changes.

GENERAL TERMS AND CONDITIONS
(Continued)

3. REQUESTS FOR SERVICE (Continued)

- (g) Denial of Requests. Operator may reject any request for service from a Requestor that is a prospective Buyer, or an existing Buyer seeking new or increased service levels, that fails to meet Operator's creditworthiness requirements unless Buyer provides assurance of payment as provided in Paragraph (h) below. Grounds for rejection shall include, but shall not be limited to, Requestor's failure (a) to show that Requestor's obligations are being paid in a timely manner, or (b) to provide reasonable assurance that Requestor will be able to continue to pay its obligations in the future.
- (h) Assurance of Payment. If Operator denies a request for service due to a failure to satisfy Operator's creditworthiness requirements, Requestor may obtain service if it provides Operator with assurance of payment as set forth below:
 - (1) In the event Operator must construct or recommission facilities to render service to a Buyer pursuant to the Tariff. Operator shall accept as assurance of payment any of the following:
 - (i) advance payment covering the Reservation and estimated Commodity Charges for a period of time as agreed to by Operator and Buyer;
 - (ii) an irrevocable letter of credit from a creditworthy financial institution in an amount agreed to by Buyer and Operator;
 - (iii) a guarantee from a creditworthy institution;
 - (iv) a surety bond from an acceptable, creditworthy insurance company in an amount agreed to by Buyer and Operator;
 - (2) In the event service is to be rendered using Operator's existing, operational facilities, assurance of payment shall be deemed satisfied when Buyer complies with Section 6(e)(ii) of the General Terms and Conditions and otherwise complies with the ongoing creditworthiness requirements set forth in Section 6(e).
 - (3) If Requestor fails to tender such assurance of payment within ten (10) days, or such longer time period reasonably established by Operator, Operator may deny Requestor's request for service.
 - (4) Nothing contained in this Section 3(h) shall obligate Operator to construct facilities in order to render service.
- (i) Execution of Service Agreement. Following the approval of a request for service and the award of capacity by Operator, Operator shall tender to Requestor a new or amended Service Agreement under each appropriate Rate Schedule. If Requestor fails to execute such Service Agreement within ten (10) days after Operator tenders it to Requestor, or within such other time period agreed to by Operator, Requestor's request for service shall be void. Service shall not commence until Requestor returns an executed Service Agreement to Operator. Operator may waive the provisions of this subsection on a nondiscriminatory basis. For service under Rate Schedule LTD-2 or Rate Schedule ITS, Requestor must have executed a Service Agreement with Operator prior to bidding for service under Section 4 of the GT&C (Bidding Procedure).

GENERAL TERMS AND CONDITIONS
(Continued)

3. REQUESTS FOR SERVICE (Continued)

- (j) Record Retention. Operator shall maintain records of all valid requests for service and their disposition for a period of three (3) years from the date of receipt of those requests. Operator shall not disclose such information, including information relating to bids for service other than pursuant to the provisions of this Tariff, a Commission proceeding or valid court order.

4. BIDDING FOR AVAILABLE FIRM SERVICE

- (a) EBB Posting Procedure. As capacity becomes available on Operator's system for firm services, such capacity shall be posted by Operator on its EBB for a period of thirty (30) days. Operator's posting shall include the following information regarding the available capacity: (i) daily and other applicable quantity of service available; (ii) receipt and delivery points; (iii) term (up to a maximum primary term of twenty (20) years with extensions from year to year thereafter unless canceled by either party by providing six (6) months prior notice to the other party); (iv) maximum effective Reservation charge as set forth in the Currently Effective Rate Sheets of this Tariff; (v) the minimum Effective Reservation charge as set forth in the Currently Effective Rate Sheets of this Tariff (including any adjustments thereto) as provided under the applicable Rate Schedule; (vi) any other applicable charges or surcharges; (vii) any applicable restrictions; and (viii) the date when bids are due to Operator. Operator shall not impose a minimum rate for purposes of bidding for available firm service. The due date set by Operator for bids shall be at least thirty (30) days and no more than forty-five (45) days after the first posting date.
- (b) Bidding Procedure. Potential Buyers may submit one bid for all or any portion of the capacity or term of service made available by Operator. A Bidder shall submit its bid electronically through Operator's EBB, specifying the monthly reservation charge (or other firm or demand charge(s), if applicable, herein referred to collectively as the "Reservation Charge") it is bidding for the service. Bidder also shall provide to Operator a valid request for service fully complying with Section 3 (Requests for Service) of the General Terms and Conditions. The price bid for the monthly Reservation Charge shall be expressed per Dth and shall be expressed to the nearest thousandth of one dollar (\$0.000). Bids for service shall not exceed the then effective Maximum Base Reservation Charge for the applicable service set forth in this Tariff. In addition to the bid price, Bidders shall pay all applicable commodity charges, demand and commodity surcharges and any other applicable charges, as they may be adjusted from time to time by Operator. Operator shall have the right to reject any bids, on a non-discriminatory basis, that: (i) are for a rate that is less than the maximum Reservation Charge or not above the minimum Reservation Charge as set forth in the Currently Effective Rate Sheets of this Tariff for service under Operator's applicable Rate Schedule; or (ii) include conditions or provisions that impede Operator's ability to operate its system in conformity with the provisions of this Tariff.

GENERAL TERMS AND CONDITIONS
(Continued)

4. BIDDING FOR AVAILABLE FIRM SERVICE (Continued)

- (c) Assessing Bids and Awarding Capacity. Operator shall evaluate bids based upon their net present value as set forth below, taking into account the price and primary term offered. Operator shall use the current Commission-approved interest rate in calculating the net present value of bids. Capacity shall be awarded based on the acceptable highest value of the bids offered to Operator calculated in accordance with this Section. Operator shall post the winning bids on its EBB.
- (d) Pro Rata Awards to Equal Bidders. If two or more bidders, including the current holder of the capacity subject to bid, submit acceptable highest value bids of equal value, as calculated pursuant to paragraph (c) above, Operator shall award the capacity first to the current holder of the capacity. If the current holder of the capacity (i) is not among the bidders submitting equivalent highest value bids, (ii) does not require all of the capacity subject to bid; or (iii) fails to execute a Service Agreement after being awarded the capacity, any available capacity shall be awarded on a pro rata basis to all bidders that submitted equivalent highest value bids.
- (e) Adjustment to Bid Rate. When the rate bid by a Bidder for service is at the Maximum Base Reservation Charge for service under the applicable Rate Schedule, that bid rate shall be subject to adjustment in accordance with the provisions of this Tariff and shall be no more than the currently effective rate specified on the Currently Effective Rates sheet of this Tariff.
- (f) Short-Term Firm Service Agreements. Upon the termination of any firm Service Agreement having a term of less than one year, the capacity associated with such terminated Service Agreement shall be made available for bidding under the procedures described in this Section 4, provided that: (i) the capacity is not previously committed under the terms of this Tariff; and (ii) facility capacity remains available.
- (g) Long-Term Service Agreements/Right of First Refusal. If Buyer's long-term Service Agreement does not extend according to its terms, Buyer may continue service upon termination of that Service Agreement by (i) agreeing to match the highest value bid offered to Operator for Buyer's firm service, or any portion thereof, through the bidding process described in this Section 4; and (ii) executing a new Service Agreement incorporating the new rate and term. A Buyer is eligible for a right of first refusal if the Buyer is receiving firm service at the maximum applicable rate pursuant to a Service Agreement with either (1) a term of service of at least twelve consecutive months or (2) for a service which is not available for 12 consecutive months, a contract term of more than one year. A Buyer is eligible for a right of first refusal if the Buyer is receiving firm service at less than the maximum applicable rate pursuant to a Service Agreement that meets the foregoing term criteria and was executed prior to March 26, 2000; however, the right of first refusal will not apply to any re-executed Service Agreement not at the maximum applicable rate. If Buyer intends to exercise its right of first refusal as described herein, Buyer shall notify Operator through Operator's EBB or facsimile transmission of that intent not less than ninety (90) days before the termination date of its Service Agreement.
 - (i) In the event that Buyer provides Operator with a 90-day notice of intent to exercise its right of first refusal, Operator shall promptly post on its EBB the information described in Paragraph (a). Not later than sixty (60) days prior to the termination of such Service Agreement, and for thirty (30) days thereafter, Operator shall begin accepting bids from any prospective Buyer, including prospective Buyers that already have submitted requests for service for all or a portion of the service rights under the existing Buyer's long-term Service Agreement.

GENERAL TERMS AND CONDITIONS
(Continued)

4. BIDDING FOR AVAILABLE FIRM SERVICE (Continued)

- (g) (ii) If Operator receives an offer for all or a portion of the service rights under Buyer's long-term Service Agreement, Operator, within five (5) days after the last day for receiving offers, shall notify Buyer through the EBB of the offer having the greatest economic value to Operator. For purposes of comparing the respective values of offers under this section, Operator shall evaluate all bids in accordance with the criteria set forth above. If Buyer elects to match the offer, Buyer shall notify Operator of such election through the EBB within fifteen (15) days after receiving Operator's notice and shall execute a new Service Agreement matching the offer prior to the termination of the existing long-term Service Agreement. If no offers are received, Buyer may continue to receive service on a month-to-month basis or for such other term agreed to by Operator and Buyer, and at the maximum rate set forth in the applicable Rate Schedule.
- (h) Termination of Long-Term Firm Service Agreements. If a long-term Service Agreement is not continued by its own terms or by reason of the Buyer's exercise of its right of first refusal, such long-term Service Agreement shall be subject to pregranted abandonment unless otherwise specified in the Service Agreement and shall terminate as specified therein and Operator shall have no further obligation to Buyer.
- (i) New Long-Term Firm Service Agreements. If a new long-term Service Agreement is executed pursuant to this Section, such Service Agreement shall be subject to pregranted abandonment unless otherwise specified therein.
- (j) Reserved Capacity. Operator may elect to reserve for future expansion projects any unsubscribed capacity or capacity under expiring or terminating service agreements where such agreements do not have a right of first refusal or Buyer does not exercise its right of first refusal. If Operator elects to reserve capacity, it will notify Buyers of its intent as part of Operator's posting under Section 4(a) (EBB Posting Procedure) of the General Terms and Conditions. Capacity may be reserved for up to one year prior to the Operator filing for certificate approval for construction of the proposed expansion and thereafter until such expansion project is placed into service. Reserved capacity will be made available on an interim basis and will be posted for competitive bid in accordance with the applicable provisions of Section 4 of the General Terms and Conditions.

5. SERVICE AGREEMENT

- (a) Form of Service Agreement. Buyer shall enter into a contract with Operator under Operator's applicable standard Form of Service Agreement prior to receiving service from Operator under any Rate Schedule. Buyers with new levels of service shall execute a new Appendix to their Service Agreements indicating the new level of service.
- (b) Term. The period of time covered by the Service Agreement (exclusive of Assignments as provided under this Tariff) shall be determined by (i) agreement between the parties, or (ii) the procedures set forth in Section 4, Bidding for Available Firm Service, but shall not exceed a primary term of twenty (20) years and extensions from year to year thereafter unless canceled by either party by providing six (6) months prior notice to the other party. Where the Service Agreement supersedes or cancels an existing Service Agreement, however, Operator may require that the term of the Service Agreement shall be not less than the unexpired portion of the term contained in the Service Agreement to be superseded or canceled.
- (c) Quantity Obligations and Requirements. The quantities of gas to be transported, injected, withdrawn or stored by Operator shall be set forth in the applicable Service Agreement.

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GENERAL TERMS AND CONDITIONS
(Continued)

5. SERVICE AGREEMENT (Continued)

- (d) Successors and Assigns. Any company that succeeds by purchase, merger, or consolidation to the assets of Operator or of Buyer substantially or in its entirety, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Service Agreement. Buyer, Operator, and their successors, may assign or pledge the Service Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument that it has executed or may execute hereafter. Otherwise no party shall assign the Service Agreement or any of its rights thereunder unless it first shall have obtained in writing the consent thereto of the other party; provided however, that Buyer under Rate Schedules LTD-1, FPS-1, FPS-2, FPS-3, and FTS may release and assign service rights contracted for under such Service Agreement pursuant to Section 10 (Release and Assignment of Service Rights) of this General Terms and Conditions.
- (e) Waiver of default. No waiver by either party of any one or more defaults by the other in the performance of any provisions of the Service Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or different character.
- (f) Choice of Law. Unless otherwise specifically stated in the Service Agreement, interpretation of the provisions of all Service Agreements or other agreements entered into between Buyer and Operator, including any provisions of this Tariff related to such agreements and any disputes arising from such agreements, shall be governed by the law of the State of Delaware.

6. OPERATING CONDITIONS

- (a) In General. The general operating conditions set forth in this Section supplement the terms and conditions set forth in the individual Rate Schedules and elsewhere in the General Terms and Conditions.
- (b) Nominations and Scheduling.
 - (1) Except for events solely within Operator's control, the primary obligation and burden of responsibility to monitor, control, adjust and maintain a concurrent balance between tenders and takes of Natural Gas shall rest with Buyer. Operator neither assumes any responsibility nor any obligation to monitor or adjust Buyer's tenders or takes by the provisions of this Section.
 - (2) All notices or other communications from Buyer to Operator pursuant to the requirements of this Section, unless otherwise provided for in this Tariff, shall be submitted electronically through Operator's EBB or through EDI. The date and time of all such notices or other communications from Buyer to Operator under this Section shall be deemed to be the date and time those notices or communications are received by Operator, unless otherwise specified.

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GENERAL TERMS AND CONDITIONS
(Continued)

6. OPERATING CONDITIONS (Continued)

(b) Nominations and Scheduling. (Continued)

- (3) Operator will post to Operator's EBB a telephone number to be used after normal business hours to assist Buyers having scheduling or confirmation problems.
- (4) The sending party shall adhere to nomination, confirmation, and scheduling deadlines. It is the party receiving the request who has the right to waive the deadlines.
- (5) Nominations. (This Section does not apply to deliveries of LNG by tankers)
 - (i) Quantities of gas nominated and capacity awarded will be made effective at the time designated on the nomination provided Buyer adheres to the nomination time line prescribed in Section 6(b)(5)(v) and supplies can be confirmed pursuant to Section 6(b)(6) of the General Terms and Conditions.
 - (ii) A Buyer seeking to nominate quantities under any applicable Service Agreement shall furnish to Operator, for each such Service Agreement (i) a Daily Delivery Quantity to be delivered by Operator to or for Buyer at the applicable delivery point(s) on Operator's pipeline system, and (ii) a Daily Receipt Quantity to be tendered to Operator at each applicable receipt point on Operator's pipeline system. Buyer's Nominated Daily Delivery Quantity and Nominated Daily Receipt Quantity collectively are referred to as Buyer's "nominations".
 - (iii) Quantities shall be nominated in dekatherm units and represent the total requested quantity for the Gas Day.
 - (iv) Each nomination shall be considered an original nomination and shall remain in effect until changed. When a nomination includes a date range, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range are unaffected. Nominations have a prospective effect only. Subsequent nominated quantities shall represent replacement daily quantities.

GENERAL TERMS AND CONDITIONS
(Continued)

6. OPERATING CONDITIONS (Continued)

(b) (5) Nominations. (Continued)

- (v) The Timely Nomination Cycle: 11:30 am for nominations leaving control of the nominating party; 11:45 am for receipt of nominations by the transporter including from Title Transfer Tracking Service Providers (TTTSPs); noon to send Quick Response; 3:30 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 pm for receipt of scheduled quantities by shipper and point operator (central clock time on the Day prior to flow).

The Evening Nomination Cycle: 6:00 pm for nominations leaving control of the nominating party; 6:15 pm for receipt of nominations by the transporter including from TTTSPs; 6:30 pm to send Quick Response; 9:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 pm for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 am on Gas Day; and when an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 am on Gas Day.

The Intraday 1 Nomination Cycle: 10:00 am for nominations leaving control of the nominating party; 10:15 am for receipt of nominations by the transporter including from TTTSPs; 10:30 am to send Quick Response; 1:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 2:00 pm for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the Gas Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 pm on Gas Day.

The Intraday 2 Nomination Cycle: 5:00 pm for nominations leaving control of the nominating party; 5:15 pm for receipt of nominations by the transporter including from TTTSPs; 5:30 pm to send Quick Response; 8:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 9:00 pm for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators (central clock time on the Gas Day). Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 pm on Gas Day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

In addition to notice of bumping being provided through the scheduling process, Operator shall notify Buyer of bumping by telephone, facsimile, and EBB communication to Buyer's representative. NAESB Standards 1.3.2 (v) and (vi) are incorporated herein by reference.

GENERAL TERMS AND CONDITIONS
(Continued)

6. OPERATING CONDITIONS (Continued)

(b) (5) Nominations. (Continued)

- (vi) Buyer shall have the option to either submit overrun quantities (nominations under firm contracts in excess of its MDQ) as a separate nomination or within the aggregate sum of all nominations. When nominations for overrun quantities are submitted as a separate transaction, they must be identified as such by using the appropriate nomination transaction type.
- (vii) Except for intra-day nominations, Buyer may nominate for several days, months or years in one day increments provided such nomination is within the begin and end dates of Buyer's Service Agreement.
- (viii) In addition to the Evening Nomination Cycle, Intra-day 1 Nomination Cycle, Intra-day 2 Nomination Cycle, described in Section 6(b)(5)(v), Buyer may nominate intra-day changes to its daily nominations at any time up to 5:00 p.m. (C.T.), to be effective any hour, but no less than four hours after the time the nomination is submitted.
- (ix) Evening Nomination Cycle, Intra-day 1 Nomination Cycle and Intra-day 2 Nomination Cycle, as described above in Section 6(b)(5)(v), and any other intra-day nominations, as described above in Section 6(b)(5)(viii), may be used to request increases or decreases in total flow, changes to receipt points, and changes to delivery points of scheduled gas. Such changes shall be effective for the remainder of the day. Operator, on a nondiscriminatory basis, may confirm such changes to commence at earlier times than specified in Section 6(b)(5)(v) and 6(b)(5)(viii) of Operator's system operations permit and if such changes do not result in any bumping of scheduled and/or flowing quantities. Operator may, through postings on its EBB, provide for additional time periods for making intra-day changes in nominations.

Buyer may make nomination changes, as described in Sections 6(b)(5)(viii) only if the following requirements and conditions are satisfied:

- (1) actual flows consistent with the requested nominations are confirmed at the receipt and delivery points;
- (2) Buyer's tenders or takes (i) during any 8-hour period may not exceed 40% of Buyer's Maximum Daily Quantity, and (ii) during any 24-hour period do not exceed Buyer's Maximum Daily Quantity, provided that all deliveries do not exceed the applicable maximum hourly limitations specified in any applicable rate schedule;
- (3) Buyer's revised nominations during a Day under no circumstances fall below the confirmed quantities that Day up to the effective time of the revised nominations;
- (4) Bumping of scheduled and/or flowing quantities by an intraday nomination may occur: (a) for a nomination submitted before 6:00 p.m., (C.T.), with notice to be provided to bumped parties by 10:00 p.m. (C.T.) on the day prior to flow, with scheduled quantities effective at 9:00 a.m. (C.T.) on Gas Day; and (b) for a nomination submitted before 10:00 a.m. (C.T.), with notice to be provided to bumped parties by 2:00 p.m. (C.T.), with scheduled quantities effective at 5:00 p.m. on Gas Day.
- (5) During any Day of Interruption pursuant to Section 16 (Interruption of Service), a Buyer may make intra-day changes to receive or take gas at Buyer's primary receipt or delivery point if such change would cause interruption of a Buyer using that receipt or delivery point as a secondary point during that Day.

GENERAL TERMS AND CONDITIONS
(Continued)

6. OPERATING CONDITIONS (Continued)

- (b) (5) (x) Buyers shall cause, by whatever means necessary, the Interconnecting operator of each point of receipt and each point of delivery designated in any nomination or change in nomination submitted by Buyer to confirm all such nominations or changes in nominations in accordance with the time lines specified in Section 6(b)(6) and also to comply with NAESB standard confirmation data sets.

Operator shall electronically on its EBB make available to Buyer on a daily basis Buyer's imbalance status or information from which Buyer can determine its imbalance status. Such daily electronic updates by Operator shall be based upon the data available to Operator at that time, and shall constitute notice to Buyer for purposes of the application of imbalance penalties, as set forth in Section 12 (Penalties) of the General Terms and Conditions and elsewhere in this Tariff. To avoid the imbalance penalties described in this Tariff, Buyer shall eliminate imbalances in its account as soon as possible but in no event later than the last day of the Month in which such notice is received.

- (6) Confirmation and Scheduling by Operator (This section does not apply to nominations pursuant to Section 4.2 of Rate Schedules LTD-1 and LTD-2)
- (i) No gas shall flow under any nomination until Operator has confirmed the nomination, awarded capacity, and scheduled the applicable quantities. In the event Buyer's gas is not confirmed, Operator shall hold interruptible capacity for a 48-hour period, but shall have no obligation to deliver such unconfirmed gas to Buyer during the 48-hour period.
- (ii) Operator shall initiate confirmation ("Request for Confirmation") with interconnecting operator or respond ("Confirmation Response") to request for confirmation from interconnecting operator. Operator shall complete confirmation by 3:30 p.m. central clock time (C.T.), 4:30 p.m. eastern clock time (E.T.), the day prior to the nomination begin date.
- (iii) Operator shall make available to Buyers their scheduled quantities no later than 4:30 p.m. central clock time (C.T.), the day prior to the nomination begin date. Furthermore, Operator shall make available to Buyers their scheduled quantities at the end of the gas day. Scheduled quantities made available via Operator's EBB or if requested shall be made available using NAESB standard data sets. Scheduled quantities for intra-day nomination changes shall only be made available at the end of the Gas Day.

GENERAL TERMS AND CONDITIONS
(Continued)

6. OPERATING CONDITIONS (Continued)

(b) (6) Confirmation and Scheduling by Operator (Continued)

- (iv) Where discrepancies in quantities exist between confirming parties, the confirmed quantity shall be the lesser of the nominated quantity (inclusive of any reductions related to capacity allocation) or the confirmed quantity. Where no communication is received, the lesser of the nomination or the previously scheduled quantity applies. No intra-day nomination changes, including reductions, shall become effective unless the changes are confirmed.
 - (v) When a Buyer has more than one receipt point or more than one delivery point, such Buyer shall specify in its nomination the supply reduction priorities and delivery reduction priorities ("Priority Reduction List") to be utilized at the receipt points or delivery points in the event of a loss of volume at the receipt points or delivery points.
 - (vi) If only partial confirmations are received by Seller from the upstream and downstream entities delivering or receiving gas on behalf of Buyer, Buyer's nominations shall be reduced in accordance with the priorities set forth on the Receipt and Delivery Rankings furnished by Buyer.
 - (vii) If gas is not scheduled and flowing within 48 hours after Operator notifies a Buyer of interruptible service that it has been unable to confirm all or any part of nominated gas supplies, Operator shall allocate such capacity to other Buyers.
 - (viii) If after Buyer's gas is confirmed, Operator is notified that Buyer's gas is not available, then Operator may cease deliveries. However, Operator shall hold such interruptible capacity for Buyer for 48 hours before allocating such capacity to other Buyers.
- (7) Buyer's Notice of Changes. Except for reasons of force majeure, as described at Section 14 (Force Majeure) of the General Terms and Conditions, Buyer shall notify Operator or cause Operator to be notified at least 24 hours in advance of any anticipated material change in the daily quantity of gas Buyer desires to deliver or to cause to be delivered to Operator for transportation under Operator's Rate Schedules. If an unanticipated or a force majeure event causes a material change in the quantity of gas Buyer will deliver or cause to be delivered to Operator for transportation, Buyer shall notify or cause Operator to be notified as soon as possible after occurrence of that event. In the event of such material changes, Buyer shall tender or cause to be tendered to Operator such estimated daily quantities at flow rates as close as possible to uniform hourly rates. Departures by Buyer from the daily quantities that it has notified Operator it intends to tender to Operator under a Rate Schedule shall be kept to a minimum and in no event shall exceed the amount permitted by operating conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

6. OPERATING CONDITIONS (Continued)

- (b) (8) Scheduling Under Individual Rate Schedules. To the extent that individual Rate Schedules set forth nomination scheduling requirements inconsistent with the requirements set forth in this Section, the applicable Rate Schedules are controlling and Buyer shall satisfy the requirements set forth in those Rate Schedules. To the extent that applicable Rate Schedules set forth scheduling requirements in addition to, but not inconsistent with, the provisions of this Section, Buyer shall satisfy the requirements of both the individual Rate Schedules and this Section.
- (c) Third Party Arrangements. Buyer shall be responsible for making all necessary arrangements with third parties (i) at or upstream of the Receipt Points at which Buyer tenders gas to Operator for transportation services, and (ii) downstream of Delivery Points at which Operator delivers gas for the account of Buyer. Buyer shall be responsible for (i) insuring that any such arrangements are consistent with the terms and conditions of the applicable Rate Schedule under which it seeks to have Operator provide services, and (ii) requiring such third parties to confirm all of Buyer's nominations with Operator by telephone, by facsimile transmission or other means acceptable to Operator and such other third party. Such third-party arrangements shall be coordinated with Operator.
- (d) Service Obligation. Operator shall not be required to perform any newly requested service under any of its Rate Schedules if any of the facilities necessary to render the requested service do not exist. In addition, Operator shall not be required to undertake new services under any of its existing Rate Schedules during periods in which facilities are scheduled for maintenance or repair or for other existing conditions identified in Section 16 (Interruptions of Service) of this General Terms and Conditions. Operator shall not be required to construct or reactivate facilities; provided, however, that Buyer may request construction of facilities under the provisions of Section 20 (Construction of Facilities) of the General Terms and Conditions.
- (e) Creditworthiness of Buyer.
 - (i) Subject to the provisions of subsections (ii) and (iii) below, Operator shall not be required to perform or to continue to perform service on behalf of any Buyer that (i) is or has become insolvent, (ii) has applied for bankruptcy under Chapter 11 of the Bankruptcy Code or is subject to similar proceedings under State or Federal Law, or (iii) fails, in Operator's reasonable judgment, to demonstrate minimal creditworthiness for all or any part of the service requested, based upon Operator's consideration of available credit data concerning Buyer and Buyer's past payment history, financial statements, and credit reports. Operator shall apply nondiscriminatory evaluation practices to determine the acceptability of Buyer's overall financial condition.

GENERAL TERMS AND CONDITIONS
(Continued)

6. OPERATING CONDITIONS (Continued)

(e) Creditworthiness of Buyer. (Continued)

- (ii) Operator may require assurance of payment for any service under this Tariff requested by an insolvent or uncreditworthy Buyer. Such a Buyer may receive or continue to receive service if it provides adequate assurance of payment for service within fifteen (15) days after the date of written demand by Operator. Adequate assurance of payment may include:
 - (1) a deposit with Operator of an amount equal to two (2) months of Reservation and estimated Commodity charges for the service, as set forth in the applicable Service Agreement, provided that such deposit may be applied by Operator to satisfy a delinquent account;
 - (2) advance payment for service at the time service is scheduled;
 - (3) an irrevocable letter of credit from a creditworthy financial institution;
 - (4) a guarantee from a creditworthy entity; or
 - (5) a surety bond from an acceptable, creditworthy insurance company.
- (iii) Operator may at any time re-evaluate the creditworthiness of Buyer and demand adequate assurances of payment if Operator determines that Buyer has in any respect become uncreditworthy. Circumstances under which Operator may re-evaluate Buyer's creditworthiness include, but are not limited to, a filing by Buyer for bankruptcy or a submission to bankruptcy or similar federal or state proceedings, an adverse change in Buyer's payment practices, or a reorganization of Buyer's business structure. If Operator, following such a re-evaluation, makes an adverse preliminary creditworthiness determination, and Buyer is current in its payments to Operator and otherwise has a good credit history with Operator, Buyer will be given notice of such adverse determination and be allowed ten (10) days to submit data demonstrating its continued creditworthiness before Operator will make a final determination of creditworthiness and, if adverse, demand adequate assurance of payment. Operator may at any time withdraw or revise its demand for adequate assurance of payment or extend its due date.

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GENERAL TERMS AND CONDITIONS
(Continued)

6. OPERATING CONDITIONS (Continued)

- (f) General Limitation of Operator's Obligation. Operator shall not be required to perform or continue service on behalf of any Buyer that, within ten (10) days after receipt of notice from Operator, fails to comply with any of the terms of the applicable Rate Schedule and Buyer's Service Agreement with Operator when such failure is material or may threaten the operational integrity, safety, or continued performance by Operator of services under this Tariff. If Buyer submits a complaint, as provided in Section 22 (Complaint Resolution Procedure) of the General Terms and Conditions, prior to the end of the 10-day period and the subject matter of the complaint is the provision of the Rate Schedule or Service Agreement on which the Operator has based its notice, Operator shall continue service for Buyer for a period of at least ten (10) days after Operator's Final Decision under the Complaint Resolution Procedures. Notwithstanding the foregoing, Operator shall have the right to take unilateral action to protect the integrity of its system in the event Operator, in its reasonable discretion, determines that immediate or irreparable harm to Operator's facilities or operations will be caused by Buyer's failure to comply with any of the terms of the applicable Rate Schedule, the terms of Buyer's Service Agreement with Operator, or the General Terms and Conditions of this Tariff.
- (g) Balancing at Termination of Service Agreement. Following the termination of a Service Agreement, Buyer under that Service Agreement shall be required to correct any outstanding imbalance in receipts and deliveries within sixty (60) days after Operator determines, and notifies Buyer, that such an imbalance exists, or within such longer period of time agreed to by Buyer and Operator.

7. FLEXIBLE PRIMARY AND SECONDARY RECEIPT AND DELIVERY POINTS

- (a) Primary Receipt and Delivery Points. The Receipt Points for all Natural Gas tendered to Operator for service under Operator's Rate Schedules shall be at the interconnection of the facilities of Operator, Buyer or any applicable third parties, or at such other primary point(s) agreed upon by Buyer and Operator and specified in Buyer's Service Agreement with Operator. The Receipt Point for LNG tendered to Operator under Rate Schedules FPS-1, FPS-2, FPS-3, and Section 11 of the General Terms and Conditions (LNG Inventory Transfers) shall be Operator's LNG storage tanks. The Receipt Point for LNG tendered to Operator under Rate Schedules LTD-1 and LTD-2 shall be the point, whether one or more, at which a flange at the outlet of the discharge manifold of the delivering LNG tanker joins the unloading arms of the Cove Point LNG Plant. The Delivery Points for all Natural Gas delivered by Operator to Buyer or to a third party on behalf of Buyer under Operator's Rate Schedules shall be (i) at the interconnection of the facilities of Operator and Buyer or any applicable third parties, or (ii) at such other primary point(s) agreed upon by Buyer and Operator and specified in Buyer's Service Agreement with Operator.

GENERAL TERMS AND CONDITIONS
(Continued)

7. FLEXIBLE PRIMARY AND SECONDARY RECEIPT AND DELIVERY POINTS (Continued)

- (b) Flexible Primary Receipt and Delivery Point Authority. Except for the Receipt Point for LNG tendered to Operator under Rate Schedules LTD-1, FPS-1, FPS-2, FPS-3 and Section 11 (LNG Inventory Transfers) of the General Terms and Conditions, and except as may otherwise be specified in this Section or in individual Rate Schedules, Buyers under Rate Schedules LTD-1, FTS, FPS-1, FPS-2 and FPS-3 shall have flexible primary Receipt and Delivery Point authority; provided that Operator, in its reasonable discretion, determines that sufficient firm capacity exists in its existing facilities to accommodate the proposed changes in primary Receipt or Delivery Points. Any Buyer seeking to change primary Receipt or Delivery Points under an existing Service Agreement shall request such a change by advising Operator, identifying the Service Agreement affected, and furnishing Operator with the information described in Section 3 (Requests for Service) of the General Terms and Conditions. If firm capacity is available to accommodate Buyer's requested change, Operator and Buyer shall execute an agreement, superseding Appendix A to the relevant Service Agreement, that shall reflect the agreed changes in such Receipt or Delivery Points, or maximum daily quantities.
- (c) Secondary Receipt and Delivery Point Authority. Except as provided in Paragraph (b) above or elsewhere in this Tariff, Buyer may have secondary Receipt and Delivery Points under any firm Service Agreement as provided and subject to the requirements in the applicable Rate Schedule. Receipts and deliveries of Natural Gas at such secondary Receipt and Delivery Points shall have the allocation priority as described in Section 15 (Capacity Allocation) of the General Terms and Conditions, and Operator shall interrupt service at such secondary Receipt and Delivery Points for the same reasons and in the same manner as interruptible services at such points, as set forth in Section 16 (Interruptions of Service) of the General Terms and Conditions. The list of interconnections at which secondary point service is available will be maintained by Operator in a Master List of Interconnections (MLI) posted on its EBB. The interconnection points on the MLI shall be incorporated, where appropriate, as secondary points in Buyer's Service Agreement.

8. NATURAL GAS QUALITY

- (a) General Requirement. Natural Gas received by Operator and delivered to Buyer hereunder shall at all times conform to the quality provisions set forth in this Section. Neither Operator nor Buyer shall be required to receive Natural Gas from the other or for Buyer's account which does not conform to the requirements of this Section. Buyer shall indemnify Operator and save it harmless from all suits, actions, regulatory proceedings, damages, costs, losses and expenses (including reasonable attorney fees) arising out of the failure of said Natural Gas to conform to such quality provisions. Operator shall indemnify Buyer and save Buyer harmless from all suits, actions, regulatory proceedings, damages, costs, losses and expenses (including reasonable attorney's fees) arising out of the failure of the Natural Gas to conform to such provisions.

GENERAL TERMS AND CONDITIONS
(Continued)

8. NATURAL GAS QUALITY (Continued)

- (b) Natural Gas. The gas received by Operator and delivered to Buyer hereunder shall be a combustible gas consisting wholly of, or a mixture of:
 - (i) Natural Gas of the quality of composition produced in its natural state except as provided herein;
 - (ii) Natural Gas produced by vaporization of Liquefied Natural Gas (LNG); or
 - (iii) manufactured, reformed, or mixed gas consisting essentially of hydrocarbons of the quality and character produced by nature in the petroleum, oil, and Natural Gas fields with physical properties such that when the gases are commingled they become indistinguishable with respect to the physical properties of the mixture.
- (c) Processing. The gas received and delivered hereunder shall be Natural Gas as defined in Paragraph (b) above; provided however, that Operator may subject or permit the subjection of said Natural Gas to compression, cooling, cleaning, extraction or other processes to such an extent as may be required in its transmission, liquefaction, storage, and vaporization hereunder.
- (d) Heating Value. Neither Buyer nor Operator shall be required to accept Natural Gas having a heating value of less than 967 Btu per cubic foot. Operator shall not be required to accept Natural Gas having a heating value of more than 1,065 Btu per cubic foot.
- (e) Objectionable Properties. The Natural Gas received and delivered:
 - (i) shall be commercially free from particulates or other solid or liquid matter which might interfere with its merchantability or cause injury to or interfere with proper operation of the lines, regulators, meters and other equipment of Operator;
 - (ii) shall not contain more than twenty-five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) cubic feet;
 - (iii) shall not contain more than twenty (20) grains of total sulfur per one hundred (100) cubic feet;
 - (iv) shall not contain more than 4% N₂ and 1.0% CO₂;
 - (v) shall not contain in excess of seven (7) pounds of water vapor per million cubic feet;
 - (vi) the gas shall not at any time have an uncombined oxygen content in excess of 10 ppm by volume; and
 - (vii) shall not contain any other harmful contaminants, including Hg, which might interfere with proper operations of or cause damage to Operator's facilities.

GENERAL TERMS AND CONDITIONS
(Continued)

8. NATURAL GAS QUALITY (Continued)

- (f) Operator and Buyer may agree, or governmental authorities may require, that the Natural Gas be odorized by use of a malodorant agent 19 of such character as to indicate by a distinctive odor the presence of Natural Gas. Whenever odorized Natural Gas is delivered, the quality and specifications of such Natural Gas, as set forth in this Section 8, shall be determined prior to the addition of malodorant and with proper allowance for changes or additions to the Natural Gas due to such malodorant. Such odorization of the Natural Gas by Operator, unless otherwise mutually agreed by Buyer and Operator, shall be for the purpose of detection of the Natural Gas only during the time it is in possession of the Operator, prior to delivery to Buyer.
- (g) Operator may refuse to accept Natural Gas or may impose additional Natural Gas quality specifications and restrictions if Operator, in its reasonable judgment, determines that harm to Operator's facilities or operations could reasonably be expected to occur if it receives Natural Gas that fails to meet such additional specifications and restrictions. Operator reserves the right to refuse to execute any agreement which does not contain the Natural Gas quality specifications and restrictions deemed reasonable and necessary by Operator, and Operator reserves the right to refuse to accept or continue to accept Natural Gas that fails to meet such additional specifications and restrictions. Such additional specifications and restrictions may be imposed to limit the concentrations of elements or compounds that Operator determines, in its reasonable judgment, may be corrosive or toxic in nature, may represent an environmental hazard, may interfere with the merchantability of the Natural Gas, or may cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of Operator.
- (h) LNG Quality. The LNG to be received hereunder for LNG Tanker Discharging Service shall be merchantable and shall have in its gaseous state:
- (i) A Gross Heating Value of not less than nine hundred sixty-seven (967) Btu and, except as otherwise provided in Section 5.5 of Rate Schedule LTD-1, not more than one thousand one hundred thirty-eight (1,138) Btu per standard cubic foot. Operator may accept LNG with a gross heating value greater than 1,138 Btu per standard cubic foot, if the resultant natural gas send out does not exceed the natural gas quality specified in Section 8(d) and (e).
- (ii) Constituent elements varying within the following percentage limits (in molecular percentage):
- | | |
|---------------|--------------------------|
| Nitrogen | between 0.00 and 1.00 |
| Methane | between 84.55 and 100.00 |
| Ethane | between 0.00 and 9.20 |
| Propane | between 0.00 and 3.25 |
| Isobutane | between 0.00 and 0.60 |
| Normal Butane | between 0.00 and 0.75 |
| Pentanes Plus | between 0.00 and 0.15 |
- (iii) A hydrogen sulfide content not to exceed twenty-five hundredths (0.25) grains of hydrogen sulfide per one-hundred (100) cubic feet;
- (iv) A total sulfur content of not more than twenty (20) grains per one-hundred (100) cubic feet;

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GENERAL TERMS AND CONDITIONS
(Continued)

8. NATURAL GAS QUALITY (Continued)

- (h) (v) No water, carbon dioxide or mercury;
- (vi) No active bacteria or bacterial agent, including but limited to, sulphate reducing bacteria or acid producing bacterial; and
- (vii) No hazardous or toxic substances.
- (viii) In the event it becomes necessary for Operator to operate nitrogen injection facilities, Operator's nitrogen injection capacity shall be allocated, if necessary, among Buyers in the following order:
 - . First, to Buyers scheduling withdrawals during the Withdrawal Season pursuant to Section 3(a) of Rate Schedule FPS-1, FPS-2 and FPS-3. Such Buyer may take delivery of a quantity of gas up to the MCPQ at a daily rate of up to one hundred fifteen percent (115%) of Buyer's MDPQ; and
 - . Then, ratably as a class to Buyers scheduling withdrawals pursuant to Rate Schedule LTD-1; and
 - . Then ratably as a class to all Buyers scheduling withdrawals pursuant to the Authorized Overrun provisions of Rate Schedules LTD-1, LTD-2, FPS-1, FPS-2, or FPS-3; and
 - . Then, ratably as a class to Buyers scheduling withdrawals pursuant to Rate Schedule LTD-2.

Cove Point shall not be obligated to receive any LNG that does not meet these standards.

- (i) Measurement of Quantity of LNG Received from Buyer's LNG Tankers. Buyer shall measure, or cause to be measured, the quantity of LNG received by Operator from Buyer's LNG tanker(s) in accordance with the following provisions:
 - (i) The volume of LNG received by Operator and reflected as an increase in Buyer's Liquefied Gas Balance shall exclude the amount of vapor returning to Customer's vessel during unloading of LNG. Operator shall have no obligation to receive quantities that cause Buyer to exceed the volume equivalent of its MCSQ (or that part of its MCSQ allocated to Buyer during periods of constrained capacity).
 - (ii) The volume of cubic meters of LNG received by Operator shall be measured in metric units by gauging of the liquid in the tanks of Buyer's LNG tanker(s). Buyer shall cause the first gauging to be made after the Captain of Buyer's LNG tanker has given his notice of readiness to unload and before starting the pumps. A second gauging shall take place immediately after completion of unloading. Representatives of Buyer and Operator shall have the right to be present at such gaugings but the absence of a representative shall not prohibit any gauging.

GENERAL TERMS AND CONDITIONS
(Continued)

8. NATURAL GAS QUALITY (Continued)

- (i) (iii) Buyer shall send or cause to be sent to Operator a certified copy of the gauging standards, in metric units approved by the United States Bureau of Standards in Washington, D.C., as well as correction charts (list, trim, contractions, etc.), for each tank of each of Buyer's LNG tankers. Such standards and charts shall be used throughout the term of the Service Agreement, except in the case of physical change in the tanks, in which case new standards and charts shall be sent to Operator. LNG measuring devices shall be approved by both Operator and Buyer. Each tank shall be equipped with two level-measuring devices of different types.
- (iv) The density of the LNG shall be calculated using the revised Klosek and McKinley method.
- (v) The temperature of the LNG contained in the tanks of any Buyer's LNG tankers shall be determined by using the arithmetic average of the temperature indicated by special thermo-couples or resistance thermometers spaced at various locations from top to bottom of each tank with an accuracy or plus or minus two-tenths of a degree centigrade. Such temperatures shall be either logged or printed.
- (vi) Samples of the LNG shall be taken or caused to be taken by Buyer with a frequency adequate to assure a representative analysis of the LNG being unloaded, at a suitable point. The sampling device shall be such as to permit the total and continuous vaporization of a quantity of LNG sufficient for the taking of a gaseous sample representative for the LNG then being unloaded. Such samples shall be analyzed by Buyer by means of a suitable gas chromatograph. An analysis or the average of such analyses shall determine the molecular composition of the LNG. A calibration of the chromatograph used shall be performed before the analysis of the samples taken from each unloading. Representatives of Operator and Buyer shall have the right to be present at such calibrations, but the absence of a representative shall not prohibit any calibration. Such calibration shall be effected with the aid of a gaseous mixture having a known composition closely similar to the vaporized LNG being measured.
- (vii) The Gross Heating Value ("GHV") of LNG shall be calculated on the basis of its molecular weights and the Thermies per kilogram of each of its components. The values of physical constants to be used for such calculations shall conform to those contained in the most current publications of the National Bureau of Standards of the United States, or a successor agency.
- (viii) The quantity of dth unloaded from Buyer's LNG tanker(s) shall be calculated on the basis of the following formula:

$$Q = \frac{V \times M \times Pc}{252}$$

where:

- Q = the number of dth unloaded
- V = the volume of LNG unloaded, in m3, as determined in accordance with Section 8(c) (ii) of the GT&C.
- M = the density of the LNG in kg/m3 calculated in accordance with Section 8(c) (iv) of the GT&C.
- Pc = the GHV of LNG per unit of mass, in Thermies/kg calculated in accordance with Section 8(c) (vii) of the GT&C.

GENERAL TERMS AND CONDITIONS
(Continued)

8. NATURAL GAS QUALITY (Continued)

(i) (ix) Gauging equipment:

- (1) Buyer shall cause to be supplied, operated, and maintained equipment for accurately gauging the level of liquid and liquid temperature in the tanks of Buyer's LNG tanker(s).
- (2) All measurements and calculations relating to gauging and determination of the density of the LNG and the testing of the quality and composition of the LNG shall be performed by Buyer. Representatives of Operator shall have the right to be present, but the absence of a representative shall not prohibit any measurement, calculations, or testing.
- (3) Both parties shall have the right to inspect at all times and be present at the calibration of the measuring and testing equipment upon reasonable notice. All testing data, charts, calculations or any other similar information shall be made available to the parties and preserved for a period of not less than three years.

(x) Verification of accuracy:

- (1) The accuracy of the instruments used shall be verified at the request of Operator. Such verifications shall be made in the presence of the Party requesting verification, in accordance with methods recommended by the manufacturers of the measuring instruments.
- (2) If, at any time of verification, a measuring instrument is found to produce errors of one percent or less of unloaded LNG, then such instrument's previous measurements shall be considered accurate for purposes of delivery calculations. Such instrument shall be adjusted as necessary. If, at any time of verification, a measuring instrument is found to produce errors of more than one percent, then such instrument's previous measurements shall be brought to a zero difference by comparison with calibration results, and for any period known definitely or agreed to have been affected by the error, the calculation of unloading during this period shall be corrected accordingly. If the period that the error affected is not definitely known or agreed upon, correction shall be made for those quantities unloaded during the last half of the period since the date of the last calibration of the instrument.

- (xi) The installation and operation of devices for measuring the level of LNG and temperature in the tanks of Buyer's LNG tanker(s), as well as chromatographs, shall be carried out to the manufacturer's specifications.

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GENERAL TERMS AND CONDITIONS
(Continued)

8. NATURAL GAS QUALITY (Continued)

- (i) (xii) All instruments and gauges used for computing the LNG unloaded shall be calibrated in the following manner:
 - (1) in cubic meters (m3);
 - (2) in degrees centigrade(C); and
 - (3) on a dual scale calibrated in bars or millibars on one side and psig on the other.

9. OPERATING PRESSURE

- (a) Operator shall deliver Natural Gas at each Delivery Point to or for the account of Buyer at the pressure which shall be available from time to time in Operator's pipeline after required measurement, flow control, or regulation; provided, that Operator, by agreement with Buyer, may establish a minimum or maximum pressure.
- (b) Buyer shall deliver Natural Gas or cause gas to be delivered to Operator at each Receipt Point at a pressure sufficient to allow Operator to operate its liquefaction equipment and to maintain transportation services to its customers. Operator shall not be required to compress into its pipeline Natural Gas transported under any Rate Schedule or otherwise change its normal pipeline or Cove Point Terminal operations.

GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS

The procedures set forth in this Section governing the release and assignment of service rights by Buyers shall apply to all firm services by Operator for which such right is provided in the applicable Rate Schedule. A Buyer under Rate Schedule LTD-1, FPS-1, FPS-2, FPS-3 or FTS may release and assign all or any portion of the service under its Service Agreement. Any Buyer accepting such assignment ("Assignee") shall be bound by all conditions and requirements set forth in the General Terms and Conditions and in the respective Rate Schedule and Service Agreement.

(a) Initiating the Release and Assignment.

- (1) Electronic Bulletin Board. The release and assignment of service rights by Buyer shall be facilitated through Operator's Electronic Bulletin Board (EBB) described in Section 2 (Electronic Bulletin Board) of the General Terms and Conditions. As explained below, Buyers seeking to release and assign firm service rights ("Releasers") shall post offers to release and notices of prearranged assignments through Operator's EBB. Potential Assignees also may post offers to purchase service rights and bids for capacity noticed by Releasers through Operator's EBB. Such postings shall be made through the interactive features of Operator's EBB. Operator reserves the right to request modifications in or to delete all or any portion of such postings; provided, however, that Operator shall have no responsibility for any errors, omissions, or other aspects of these postings from third parties on its EBB.
- (2) Release Notice. Releaser may initiate the assignment of the service rights it is seeking to release and assign by electronically transmitting the information specified below to Operator's EBB ("Release Notice"). Such electronic Release Notice may contain a minimum price provision, and shall contain the following information regarding the capacity that Buyer is seeking to release:
 - (i) Releaser's identity, the Rate Schedule under which Releaser seeks to release capacity, and the contract number, if any, assigned by Operator to the Service Agreement under which Buyer seeks to release capacity;
 - (ii) whether the release is on a temporary or permanent basis;
 - (iii) the numeric quantity on a per day basis for services to be released, and the term (duration);
 - (iv) the Receipt Point(s) and Delivery Point(s);
 - (v) any applicable recall provisions relating to the proposed release and whether the Assignee will have the option to refuse the capacity after recall has ended;
 - (vi) any minimum conditions concerning the rate, term, or volume that the Releaser is willing to accept (and that Releaser wishes to have posted on Operator's EBB), or a statement that it has separately revealed to Operator any such minimum conditions, which shall be posted following the close of bidding,

GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS (Continued)

- (a) (2) (vii) whether Releasor will accept contingent bids for the capacity being released and, if so, all terms and conditions of acceptable contingencies including the manner in which such contingent bids will be evaluated;
- (viii) the maximum reservation charge (including demand-type surcharges) applicable to the capacity being released but, pursuant to 18 C.F.R. Section 284.8(i) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year, and the rate paid in any capacity release transaction not subject to the maximum rate ceiling will not be subject to refund;
- (ix) the date and time of (i) the posting of the release notice on Operator's EBB, and (ii) the close of the bidding for the released capacity;
- (x) whether the Releasor has a prepackaged arrangement to assign the service to a specified Assignee;
- (xi) objective criteria for evaluating responsive bids by potential Assignees, including a statement as to whether contingent bids will be accepted, and, if so, how such bids will be evaluated;
- (xii) the name, telephone number, and facsimile machine number of Releasor's designated contact person;
- (xiii) whether bids for the released firm capacity are to be on the basis of a two-part or a one-part volumetric rate. All Assignees, whether bidding for firm capacity on the basis of a reservation charge or a volumetric rate, shall be responsible, in addition to its bid reservation charge or volumetric rate, for all commodity charges, commodity surcharges and any penalty or imbalance costs incurred by the Assignee;
- (xiv) whether bids for the released capacity are to be submitted on a fixed dollars and cents amount or on a percentage basis;
- (xv) whether the release is subject to an indemnification provision pursuant to which the initial Assignee indemnifies Releasor against any claims by successive Assignees relating to refunds (where Releasor has provided correctly calculated refunds to the initial Assignee), and all terms of any such indemnification provision.

Releasor at any time may withdraw its posting for release and capacity by placing a notice of withdrawal on Operator's EBB; and
- (xvi) Length of time for a pre-arranged Assignee to match the terms and conditions of the best bid.

- (3) Evaluating Criteria. Operator shall evaluate bids submitted for capacity offered for release based on the best bid first utilizing the methodology chosen by Releasor, including (1) highest rate, (2) net revenue, (3) present value, or (4) Other. Releasor, upon choosing "Other", must establish alternative, nondiscriminatory criteria for evaluating bids. Should Releasor choose "Other" as the method of evaluation, Operator shall not be required to meet the timelines outlined in Section 10(b)(3) of the General Terms and Conditions. Releasor shall include all such alternative evaluation criteria in the Release Notice to be posted on Operator's EBB. When multiple bids meeting minimum conditions are received, Operator shall award capacity, best bid first, until all offered capacity is awarded.

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GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS (Continued)

- (a) (4) At any time up to the close of the bidding period for the posted capacity, Releasor may withdraw its posting for release of capacity if Releasor itself has an unanticipated use for the capacity and no minimum bid has been made. Such a withdrawal shall be effected by Releasor placing a notice of withdrawal on Operator's EBB. Offers will be binding until a notice of withdrawal is received.

(b) Posting.

Posting of Release Notices on Operator's EBB shall be complete and subject to the conditions and exceptions set forth below.

- (1) Exempt Transactions. Posting for purposes of inviting bids shall not be required for (i) prepackaged Rate Schedule FTS arrangements Releasor has arranged with a designated Assignee for a period of 31 days or less; or (ii) prepackaged Rate Schedules LTD-1, FPS-1, FPS-2, FPS-3 and FTS arrangements that Releasor has arranged with a designated Assignee under which the designated Assignee agrees to pay the maximum rate under such Rate Schedule(s) and meets all requirements set forth in this Tariff (collectively "exempt transactions"). The rate received by Releasor under such prearranged transactions exempt from the ordinary posting and competitive bidding procedures otherwise set forth in this Section must not exceed the applicable maximum rate under any such Rate Schedule(s) established in this Tariff filed with the Commission. Pursuant to 18 C.F.R. Section 284.8(i) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year. In addition, until September 30, 2002, capacity release transactions with terms of greater than 31 days and less than one year must be posted for bidding regardless of rate paid.
- (2) Limitations on Continuation of Exempt Transactions. Except as provided below, a Releasor that has employed an exempt transaction to assign service to a designated assignee for a period of 31 days or less, as described in Section 10.b(1) above: (i) shall not roll over, extend, or otherwise continue that release beyond its original term without complying with the posting and competitive bidding requirements applicable to all non-exempt transactions, as set forth in this Section; and (ii) shall not re-release to the same assignee for 28 days after termination of the earlier release period without fully complying with the ordinary posting and competitive bidding requirements applicable to all non-exempt transactions, as set forth in this Section. Prearranged releases at the maximum rate under Rate Schedules LTD-1, FPS-1, FPS-2, FPS-3 and FTS, meeting all other items and conditions of the release, may be rolled over from month to month. Any release of 31 days or less may not be rolled over, extended or in any way continued without being subject to posting and competitive bidding regardless of rate paid.

GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS (Continued)

- (b) (3) Timing and Duration of Posting. The Capacity Release Timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if (1) all information provided by the parties to the transaction is valid, (2) there are no special terms or conditions of the release, and (3) for purposes of determining the Best Bid, the methodology specified by the Releasor is either highest rate, net revenue, or present value.
- (i) For biddable releases (less than 1 year):
- offers should be tendered by 12:00 P.M. on a Business Day;
 - open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
 - evaluation period ends and award posting if no match required at 2:00 P.M.;
 - match or award is communicated by 2:00 P.M.;
 - match response by 2:30 P.M.;
 - where match required, award posting by 3:00 P.M.;
 - contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)
- (ii) For biddable releases (1 year or more):
- offers should be tendered by 12:00 P.M. four Business Days before award;
 - open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three Business Days);
 - evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
 - evaluation period ends and award posting if no match required at 2:00 P.M.;
 - match or award is communicated by 2:00 P.M.;
 - match response by 2:30 P.M.;
 - where match required, award posting by 3:00 P.M.;
 - contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

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GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS (Continued)

(b) (3) (iii) For non-biddable releases:

Timely Cycle

- posting of prearranged deals not subject to bid are due by 10:30 A.M. on a Business Day;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Evening Cycle

- posting of prearranged deals not subject to bid are due by 5:00 P.M. on a Business Day;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 1 Cycle

- posting of prearranged deals not subject to bid are due by 9:00 A.M. on a Business Day;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 4:00 P.M. on a Business Day;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS (Continued)

(c) Bidding.

- (1) Potential Assignees shall submit bids for released capacity which comport with the methodology of the release notice stated in ten thousandths of one dollar (\$0.0000) per Dth per month for reservation charges and for all demand surcharges, or in hundredths of one cent (0.00¢) per Dth for one-part volumetric rate bids or a percent of maximum, accompanied by a valid Bid for Capacity Release Form in the form included in this Tariff. Bids submitted for a permanent release shall be submitted on a valid Request for Service Form as set forth in Section 3 (Requests for Service) of the General Terms and Conditions. Such bids shall (i) be electronically submitted to Operator's EBB and displayed when complete (without revealing the identity of the bidder) during the bidding period, (ii) be submitted by potential Assignees in a manner prescribed by Operator, and (iii) be in accordance with Releasor's specifications, and specifically reference the capacity for which the bid is being submitted.
- (2) A potential Assignee responding to the posting of a Release Notice shall be permitted to bid a contingent bid, provided, however, that the Releasor may reject that bid on the basis of the contingency.
- (3) Bids shall be submitted by potential Assignees without bidders knowing the identities of other bidders. A bidder may submit multiple bids, or may withdraw its bid during the posting period established in Section 10(b)(3). A potential Assignee which has withdrawn its bid may submit a new bid only if it is for a higher economic value than the withdrawn bid.
- (4) All bidders must meet Operator's creditworthiness standards, as described at Section 3 (Requests for Service) and Section 6 (Operating Conditions) of the General Terms and Conditions. Any potential Assignee must demonstrate its creditworthiness to Operator, and may do so in advance of bidding by submitting a request for service to Operator and furnishing the data required by Section 3.

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GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS (Continued)

- (c) (5) Releasors that have multiple Service Agreements with Operator may post Release Notices for capacity under such Service Agreements with a "Stand-Alone" or "Not Stand Alone" indicator. Potential Assignees must submit bids on all parcels that "Stand Together".
 - (6) Bids shall not exceed any maximum rate or be less than any minimum rate permitted by the Commission for the released services. Bids for firm capacity offered at a volumetric rate shall not exceed any applicable maximum reservation charge, which determination shall be made by converting the reservation charge to a volumetric rate at a one hundred percent (100%) load factor. Pursuant to 18 C.F.R. Section 284.8(i) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year.
 - (7) Bids are binding, other than contingent bids, until written or electronic notice of withdrawal is received. Bids may be withdrawn before the close of the bidding period.
- (d) Evaluation of Bids and Assigning Service Rights.
- (1) Operator shall perform the evaluation of bids in accordance with the criteria specified in the Release Notice and shall determine which, if any, bids to accept.
 - (2) In the absence of any such Releasor-developed alternative criteria to the contrary, as specified in Releasor's Release Notice, bids shall be evaluated and rights to released capacity assigned by Operator in accordance with the bid evaluation criteria referenced at Section 10(a)(3).
 - (3) Where Releasor has posted a prepackaged arrangement, the designated Assignee under that arrangement will be awarded the capacity if, within the time limit specified in Section 10(b)(3) immediately above, that designated Assignee matches the highest competing bid(s).

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GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS (Continued)

- (d) (4) Where highest bids of equal value are received for released capacity from more than one bidder, and there is no designated Assignee under a prepackaged arrangement or the designated Assignee does not match the highest competing bids, the capacity shall be assigned pro rata on the basis of the respective quantities bid by the winning bidders. Bidders may specify in their bids the minimum quantities they will accept. If a pro rata allocation would result in assignment of quantities below a bidder's minimum quantity, any such bidder will not be assigned the capacity, and the total quantity available for assignment will then be re-allocated among the remaining highest value bidders on a pro rata basis provided that the Releasor has failed to specify a tie-breaking method of its own.
- (e) Assignment Agreements.
 - (1) Operator and Assignee shall execute an Assignment Agreement in the form contained in this Tariff that includes all terms and conditions of the release and assignment.
 - (2) All releases and assignments pursuant to this Section shall have pregranted abandonment authority.
- (f) Implementation; Receipt and Delivery Points. Following acceptance of a bid for assignment and execution of a Service Agreement, Operator will accept nominations or requests for alternate receipt or delivery points for the assigned capacity. Quantities flowing under assigned service rights shall have the same priority as those quantities had under the applicable underlying service agreement originally entered into by Releasor and Operator, and that priority shall be unaffected by whether or not the assignment is subject to recall, as described in paragraph (g) below.

GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS (Continued)

(g) Recall; Reassignment of Assigned Service Rights.

- (1) Agreements Subject to Recall. Releasors shall be permitted to specify as a condition for releasing capacity the right to recall that assigned capacity upon notice to Operator and Assignee. Any such recall provision must be included in the Release Notice originally submitted by Releasor and in the Service Agreement executed following assignment of the capacity. Releasors may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) at the Timely Nomination Cycle and the Evening Nomination Cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination Cycles by providing notice to Operator by the following times for each cycle: 8:00 a.m. CCT for the Timely Nomination Cycle; 5:00 p.m. CCT for the Evening Nomination Cycle; 8:00 a.m. CCT for the Intra-Day 1 Nomination Cycle; and 3:00 p.m. CCT for the Intra-Day 2 Nomination Cycle. Notification to Assignee will be provided by Operator within one hour of receipt of recall information. Assignee shall be permitted to make secondary assignments of all or any part of the capacity contained in its Service Agreement that is subject to Releasor's right to recall, unless prohibited by the Releasor, provided, however, that the second assignment shall not vary the recall provisions contained in the original assignment.
- (2) Conditions and Limitations of Reassignment. An Assignee that desires to release some or all of its assigned capacity (Assignee/Secondary Releasor) may release and reassign all or a portion of the assigned capacity to other parties (Secondary Assignees) if the original assignment is not subject to recall by the original Releasor, as described in paragraph (1) immediately above. Any such reassignment must satisfy all of the posting, bidding and notice requirements set forth in this Section, and any Secondary Assignee must satisfy all of the creditworthiness and other requirements set forth in this Section. No limitation unless prohibited by the Releasor shall be placed on the number of times service rights may be reassigned, provided, however, that an Assignee/Secondary Releasor may not assign rights any greater than the rights it received pursuant to the earlier assignment, and may not place any unreasonable or discriminatory conditions on such assignments. An Assignment Agreement that contains a volumetric rate to be paid by the Assignee for firm capacity may not be released and reassigned by the Assignee.

(h) Transfer of LNG Inventory.

- (1) If an assignment of capacity is made under Rate Schedule LTD-1, FPS-1, FPS-2 or FPS-3, the Releasor shall, contemporaneously with the assignment of capacity, transfer to the Assignee any LNG then being held in storage for the account of the Releasor or, if only a portion of the Releasor's capacity is assigned, Releasor shall assign to the Assignee a proportionate portion of its LNG inventory in excess of its retained storage capacity. All assignments of LNG shall be pursuant to Section 11 (Inventory Transfers) of the General Terms and Conditions.
- (2) In the event of an assignment of capacity under Rate Schedule LTD-1, FPS-1, FPS-2 or FPS-3 requiring the transfer of LNG inventory to the Assignee, the requirement of such a transfer shall be included in the EBB posting and Releasor may designate a minimum price for the inventory to be transferred.

GENERAL TERMS AND CONDITIONS
(Continued)

10. RELEASE AND ASSIGNMENT OF SERVICE RIGHTS (Continued)

(i) Billing.

- (1) For all assignments, Operator, in accordance with the terms of this Tariff, shall bill (i) the Releasor for the full reservation charge and any applicable reservation related surcharges for which Releasor is otherwise obligated to Operator, less the reservation charge bid by Releasor's Assignee or, when such Assignee is paying the reservation charge pursuant to a bid volumetric rate, the portion of the total volumetric charge to be paid by Releasor's Assignee during the applicable billing period which is attributable to the bid volumetric rate, and (ii) the Assignee for (A) the reservation charge bid by that Assignee, (B) all commodity charges, or all payments under one-part volumetric rates, and any minimum volumetric commitment agreed to but not met by the Assignee, (C) demand and commodity surcharges, and (D) any penalties or imbalance correction costs, as any of these charges may change from time to time upon approval of the Commission. Assignee may, upon notice to Operator, appoint Releasor as its agent to receive such billings from Operator. The charges shall be pro-rated for a billing month if necessary.
- (2) For all assignments of service rights, regardless of which party Operator bills, Releasor shall remain ultimately responsible to Operator for full payment of the reservation charge and the demand surcharges (including any changes in those charges with Commission approval) called for under Releasor's original Service Agreement with Operator. Upon payment by Assignee to Operator of any unpaid reservation charges, any claims Releasor may have shall be subordinated to those of Operator.
- (3) Releasor shall have the right, if stated as a condition in its Release Notice, to require Assignee to (i) prepay or post a bond for up to two (2) month's demand and commodity charges, or (ii) provide other reasonable surety of performance, if, in Releasor's reasonable judgment, Assignee is uncreditworthy.
- (4) In the event that an Assignee (including a Secondary Assignee) fails to pay Operator's invoice relating to the released capacity, Operator shall within five (5) business days provide the Releasor (the most recent Releasor, where the capacity has been secondarily assigned) with written or telephonic notice of such nonpayment, Releasor may immediately recall the assigned capacity upon 24-hour notice to Assignee unless within such period Assignee pays in full the outstanding indebtedness, together with accrued interest at the Commission approved interest rate, and furnishes adequate assurance of payment to Releasor if required by Releasor.
- (j) Refunds. The original Releasor of any capacity shall receive from Operator any reservation charge-related refunds associated with assigned capacity. The Assignee holding the assigned right to service at the time shall receive from Operator its share of any commodity charge-related refunds associated with the assigned capacity. Such commodity charge refunds will be made by Operator directly to Assignee or indirectly through the Releasor if Assignee has appointed Releasor as its agent for billings pursuant to Section 11(i)(1) above. Pursuant to 18 C.F.R. Section 284.8(i) of the Commission's regulations, until September 30, 2002, the maximum rate ceiling does not apply to capacity release transactions of less than one year. The rate paid in any capacity release transaction not subject to the maximum rate ceiling will not be subject to refund.
- (k) Fees. Operator shall not charge a fee for posting of a Release Notice or a Request to Purchase on its EBB. Operator shall be entitled to charge a reasonable fee if Releasor and Operator agree that Operator shall receive a fee for actively marketing the capacity Releasor seeks to release.

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GENERAL TERMS AND CONDITIONS
(Continued)

11. LNG INVENTORY TRANSFERS AMONG BUYERS

- (a) Transfers. Upon receiving the approval of Operator, a Buyer may transfer LNG inventory under its Rate Schedule LTD-1, LTD-2, FPS-1, FPS-2 or FPS-3 to a different Buyer's account under Operator's Rate Schedule LTD-1, LTD-2, FPS-1, FPS-2 or FPS-3, if such other Buyer agrees in writing to the transfer.
- (b) Requests to Transfer; LNG Inventory Transfer Form. Operator will, upon a Buyer's request, post an announcement of Buyer's desire to transfer inventory, but Buyer shall remain responsible for making all arrangements effecting the proposed transfer. To request an inventory transfer, the Transferor and Transferee Buyers shall send a completed Inventory Transfer Form (in the form included under Miscellaneous Forms in this Tariff) via fax or mail to Operator. Within two business days of Operator's receipt of a completed and executed Inventory Transfer Form, Operator shall notify the Buyers listed on that completed and executed Inventory Transfer Form of Operator's acceptance or rejection pursuant to Section 11(c) below of the proposed transfer. Transfers shall be effective upon Operator's notice of acceptance. Retroactive transfers shall not be permitted.
- (c) Rejection by Operator. Operator may reject any proposed transfer under this Section 11 if it determines that such transfer cannot be accommodated: (i) without diminishing Operator's ability to provide firm service to any Buyer; (ii) without increasing Operator's firm service obligations; (iii) because the LNG sought to be transferred is not available in Buyer's account; (iv) because of an imbalance status of the transferor's and transferee's accounts, as reflected in Operator's records; or (v) because the requested transfer is retroactive.

12. PENALTIES

The penalties set forth in this Section apply to all Operator's Rate Schedules, unless otherwise indicated in this Section or in individual Rate Schedules.

- (a) Takes in Excess of Scheduled Daily Quantity under Rate Schedules LTD-1, LTD-2, FTS and ITS. If Buyer's takes under Rate Schedules FTS or ITS on any day exceed the Hourly Scheduled Quantity (the Hourly Scheduled Quantity being defined as the Scheduled Daily Delivery Quantity divided by twenty-four (24)) during any hour by at least 20,000 Dth and/or exceed the Scheduled Daily Delivery Quantity by at least 20,000 Dth, Operator shall assess a penalty of \$5.00 per Dth on all quantities in excess of the Hourly Scheduled Quantity each hour and/or the Scheduled Daily Delivery Quantity.
- (b) Failure to Interrupt Service. If Buyer fails to interrupt service as directed by Operator pursuant to Section 16 (Interruptions of Service) of the General Terms and Conditions, and thereby delivers gas to or takes gas from Operator in excess of 103 percent of the sum of the lowered Scheduled Daily Receipt Quantity or lowered Scheduled Daily Delivery Quantity established under Rate Schedules LTD-1, LTD-2, FTS, ITS, FPS-1, FPS-2 or FPS-3 by Operator's interruption order, Buyer shall be assessed and pay penalties of \$5.00 per Dth on all quantities taken or delivered in excess of one hundred three percent (103%) of its reduced Scheduled Daily Receipt Quantity or reduced Scheduled Daily Delivery Quantity.

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GENERAL TERMS AND CONDITIONS
(Continued)

12. PENALTIES (Continued)

- (c) Failure to Comply with Operational Flow Orders. If Buyer fails to comply with an operational flow order issued by Operator pursuant to Section 17 (Operational Flow Orders) of the General Terms and Conditions, a penalty of \$5.00 per Dth per day shall be assessed on all quantities taken or delivered in violation of that operational flow order.
- (d) Miscellaneous.
 - (1) All penalties and charges assessed under this Section shall be paid in addition to the applicable transportation rates and charges, including any Excess Withdrawal charge. If an action by Buyer results in a penalty under more than one paragraph of this Section 12, the penalty resulting in the highest payment by Buyer shall apply.
 - (2) In the event Buyer seeks to avoid any penalty provided for in this Section on the ground that such charge was incurred because of a force majeure event as defined at Section 14 (Force Majeure) of the General Terms and Conditions, Buyer shall document such force majeure event to Operator. Operator shall waive penalties to the extent that incurrence of the penalties or imbalance was caused by a force majeure event as defined at Section 14.
 - (3) Operator may not assess against or collect from a Buyer any penalty set forth in this Section 12, in whole or in part, if Buyer's imbalance did not affect Operator's ability to provide service under any of its Rate Schedules in this Tariff. Operator's determination not to assess or collect a penalty for any individual occurrence shall not operate or be construed as a waiver of any penalty or penalties for future occurrences whether of like or different nature.
 - (4) Operator may waive its right to collect all or any portion of the penalties assessed against Buyer, provided that any such waiver is granted in a nondiscriminatory manner.
 - (5) To the extent that any imbalance directly results from Buyer's reliance on inaccurate data from Operator, no penalty will be assessed for that portion of the imbalance shown by Buyer to be attributable to such inaccurate data.
- (e) Penalty Revenue Sharing. Operator shall refund annually all penalty revenue collected net of costs to Buyers. For each month during each annual period, Operator shall determine the Buyers that have not incurred, in that month, any of the penalties set forth in this Section 12 and, therefore, are eligible to share in the penalty revenue collected in that month. Refunds will be apportioned to said Buyers based on each respective Buyer's actual fixed cost contribution as a percentage of the total fixed cost contribution of all such Buyers during each month of the annual period (or portion thereof, if applicable). The fixed cost contribution for any capacity release transaction not subject to the maximum rate ceiling shall be capped at the fixed cost portion of the maximum tariff rate that applies to the original Shipper's contract. The annual period will cover the 12 months ending July 31.

Following each annual period, Operator shall post on its EBB the penalty revenue collected and file a report, which supports any costs that are netted against the penalty revenue collected, with the Commission and serve on Buyers and interested State Commissions. Any penalty revenue collected and retained until distribution by Operator shall accrue interest calculated pursuant to Section 154.501(d) of the Commission's regulations.

GENERAL TERMS AND CONDITIONS
(Continued)

13. DISCOUNTING

- (a) In General. Operator may at any time in its sole discretion selectively discount the rate(s) applicable to any individual Buyer under any Rate Schedule set forth in this Tariff; provided, however, that such discounted rate(s) shall not be less than the Minimum Rate(s) for the applicable service as set forth in the currently-effective rate sheets of this Tariff. If Operator discounts any rate to any Buyer, Operator shall file with the Commission any required reports respecting such adjusted rate. Operator and Buyer shall enter into a written agreement describing the terms of any such discounting of Buyer's rate(s).
- (b) Allocation or Interruption. To the extent that Operator allocates or interrupts service rights based upon price, as set forth in Section 15 (Capacity Allocation) and Section 16 (Interruptions of Service) of the General Terms and Conditions, the price used by Operator for such purposes, where rates for service have been discounted by Operator, shall be Buyer's discounted rate for the service.
- (c) Portability of Discounts
 - (i) Rebuttable Presumption: A Buyer holding a discount at a specific point or points may retain a discounted rate if it chooses to use an alternate point (whether through segmentation, capacity release or its own exercise of flexible receipt and delivery point rights), pursuant to the procedures set forth herein, if Operator has granted a discount to a similarly situated transaction at the alternate point.
 - (ii) Request Required to Retain Discount at Alternate Point: In order to retain its discount at such an alternate point not expressly provided for in its discount agreement, Buyer must submit a timely request to retain its discount prior to a nomination to use the alternate point (whether through segmentation, capacity release or its own exercise of flexible receipt and delivery point rights). A request is timely if it is submitted at least two hours before the applicable nomination deadline. Operator will process such request and determine whether Buyer may retain its discount within two hours of receipt of the request, provided, however, that it will act on overnight requests to retain discounts (relating to nominations after the 6:00 p.m. Evening Nomination) by no later than 8:30 a.m. CCT the next morning. Requests to retain discounts must be submitted by telephone.
 - (iii) Determination by Operator: Operator shall make a determination in response to the request to retain a discount at an alternate point as follows:
 - (1) If Operator is not providing a discount in another transaction at the alternate point, then Buyer shall not retain its discount.
 - (2) If Operator is providing a discount in another transaction at the alternate point, then Buyer shall retain its discount to the extent provided in Section (iv) below, unless Operator determines that Buyer is not similarly situated to the other transaction(s) receiving a discount at the alternate point.
 - (3) If Operator is providing a discount in another transaction at the alternate point, but that transaction is determined not to be similarly situated to Buyer, then Buyer shall not retain its discount.

GENERAL TERMS AND CONDITIONS
(Continued)

13. DISCOUNTING (Continued)

(c) (iii) (Continued)

If a Buyer has previously submitted a request to retain its discount at an alternate point, and Operator has determined that Buyer may not retain its discount at such point, then Operator need not respond to repeated requests by the Buyer to retain its discount at the same alternate point, unless Operator's determination has changed to allow Buyer to retain its discount.

- (iv) Applicable Rate When Discount is Retained: A Buyer retaining its discount at an alternate point shall pay the higher of its contractual discounted rate or the discount rate being offered at the alternate point. If Operator ceases to offer a discount in a similarly situated transaction at the alternate point, then Buyer shall revert to the maximum rate.

14. FORCE MAJEURE

- (a) Definition. The term "force majeure" means any event or condition or combination of events and/or conditions which prevents, hinders, or delays the performance of any obligation, in whole or in part, under the applicable Service Agreement, Rate Schedule or these General Terms and Conditions, which is not within the reasonable control of the party claiming suspension by reason of force majeure and which the party claiming suspension is unable to prevent or overcome by the exercise of due diligence. Such events or conditions, provided that the foregoing requirements are met, include, but are not defined by or limited to, acts of God, strikes, lockouts, acts of a public enemy, acts of sabotage, wars, blockades, insurrections, riots, epidemics, landslides, subsidence, earthquakes, fires, hurricanes, storms, tornadoes, storm warnings, floods, washouts, civil disturbances, explosions, accidents, freezing of wells or pipelines, partial or entire electronic, mechanical or physical failure that affects the ability to transport gas or LNG by pipeline, or to operate treatment, liquefaction, vaporization, storage or LNG tanker discharging facilities or the binding order of any court, legislative body, or governmental authority. Failure by any party claiming suspension to prevent or settle any strike or strikes shall not be considered to be an event or condition within the control of such party.
- (b) Effect. If either party to the applicable service agreement is rendered unable, wholly or in part, by force majeure to carry out its obligations under the applicable service agreement, then such party shall give notice and reasonably full particulars of such force majeure in writing or by facsimile or telephone to the other party within a reasonable time after it becomes aware of the occurrence of the force majeure, and the obligations of such party, insofar as they are affected by such force majeure, shall be suspended from the commencement of such force majeure through the continuance of any inability so caused, but for no longer period, and such force majeure shall so far as possible be remedied with all reasonable dispatch. Notwithstanding the foregoing, no claim of force majeure of a party shall relieve such party from its payment obligations under the applicable service agreement. If a party is unable, wholly or in part, to render service to another party due to force majeure the party not receiving service shall be relieved of any payment obligation to the extent and for so long as it is not receiving service.

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY AND IMBALANCE ALLOCATIONS

This Section specifies the procedures for allocating any differences between: (i) Buyers' aggregate nominations that may exceed the available capacity at Delivery and/or Receipt Points; (ii) the aggregate of all Buyers' Scheduled Daily Delivery Quantities and actual deliveries; and (iii) the aggregate of all Buyers' Scheduled Daily Receipt Quantities and actual receipts ("Difference(s)") at Delivery Points at which gas is being delivered to or for the account of multiple Buyers or at receipt points from which gas is being received by Operator for the account of multiple Buyers. Unless otherwise agreed to between Operator and Confirming Party, physically measured quantities shall be allocated on scheduled daily quantities and shall be made using Dekatherm units.

- (a) Capacity. If Operator receives nominations from Buyers for a service other than discharging LNG from tankers that exceed available capacity Operator shall allocate capacity among Rate Schedules by first allocating capacity at Delivery Points then allocating capacity at Receipt Points based on the following priority schedule:
- (1) First, among Buyers under Rate Schedules LTD-1, FPS-1, FPS-2, FPS-3, and FTS with total nominations for service within their contractual entitlements at Primary Delivery and Receipt Points.
 - (2) Second, among Buyers under Rate Schedules LTD-1, FPS-1, FPS-2, FPS-3 and FTS with total nominations for service within their contractual entitlements at Secondary Points located between the Primary Receipt and Delivery Points set forth in Buyers' contracts. When nominations at a Secondary Point exceed available capacity at that point, Secondary point capacity will be allocated among Buyers on a pro rata basis, based upon each Buyers' respective level of Secondary quantities nominated on that Day.
 - (3) Third, among Buyers under Rate Schedules LTD-1, FPS-1, FPS-2, FPS-3 and FTS with total nominations for service within their contractual entitlements at Secondary Delivery Points located downstream or Secondary Receipt Points located upstream of the Primary Points set forth in Buyers' contracts. When nominations at Secondary Points exceed available capacity at that point, Secondary point capacity will be allocated among Buyers on a pro rata basis, based upon each Buyers' respective level of Secondary quantities nominated on that Day.
 - (4) Fourth, among Buyers using Authorized Overrun Service under Rate Schedules LTD-1 and FTS.
 - (5) Fifth, among Buyers under Rate Schedules LTD-2 and ITS with nominations for service at Delivery and Receipt Points commencing on the first day of the month starting with those Buyers paying the highest rate. Where nominations for ITS service by any group of Buyers paying the same rate exceeds the available capacity at a Delivery or Receipt Point, capacity will be allocated at that Delivery or Receipt Point based upon the following priority:
 - (i) first, to Buyers that paid the highest rate in the previous month up to the level of the quantities flowing at that rate on the due date for monthly nominations at that Delivery or Receipt Point in the month of the nomination;
 - (ii) next, to Buyers flowing gas at that Delivery or Receipt Point on the due date for monthly nominations that have requested increased quantities at that point for the upcoming month, pro rated, if necessary, based upon Buyers' level of confirmed nominated increase;
 - (iii) then, equally to all remaining Buyers nominating quantities at that point.

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY AND IMBALANCE ALLOCATIONS (Continued)

- (6) Sixth, among Buyers nominating Authorized Overrun Service under Rate Schedule LTD-2.
- (7) Seventh, among Buyers under Rate Schedule ITS with nominations for service commencing other than on the first day of a month. Where such nominations exceed the available capacity at the nominated Delivery or Receipt Point, Operator shall allocate the available capacity as follows:
 - (i) to Buyers paying the highest rate up to the level of the quantities flowing at that rate, on the date of the nomination;
 - (ii) then, to Buyers currently flowing Natural Gas at the given Delivery or Receipt Point pro rated, if necessary, based upon the quantities flowing for each Buyer at that point on the day preceding Operator's receipt of the nomination;
 - (iii) then, to the remaining Buyers paying the same highest rate based upon the order in which Operator received nominations from those Buyers;
 - (iv) then, equally to any remaining Buyers nominating quantities at the relevant Delivery or Receipt Point.
- (b) Delivery Point Allocation. If deliveries are made to a third party (that is not a Buyer) for the accounts of multiple Buyers, the Difference shall be allocated pro rata among all Buyers at that delivery point on the basis of those Buyer's Scheduled Daily Delivery Quantities, unless, prior to the gas actually flowing, all affected Buyers at that delivery point have agreed to a Predetermined Allocation Method (PDA) specifying a different allocation methodology and such agreement is provided to Operator in writing and approved by Operator. The party responsible for custody transfer (the party performing the measurement function) should provide the allocation. Month-end allocations shall be based on a measurement closing date of the fifth Business Day after the Month. If actual quantities are not available, quantities will be estimated by the Measuring Party. When actual data becomes available, it should be treated as a prior period adjustment.
- (c) Receipt Point Allocation. Differences at a receipt point shall be allocated pro rata among all Buyers at that receipt point on the basis of the Scheduled Daily Receipt Quantities, unless the upstream point operator providing the point confirmation submits a PDA to the allocating party before the start of the Gas Day, and Operator accepts the PDA. The party responsible for the custody transfer (the party performing the measurement function) should provide the allocation.
- (d) Predetermined Allocation Method (PDA). As used in this Section 15, a PDA is an agreement by or among point operators, prior to the beginning of the Gas Day, at a receipt or delivery point to allocate the difference between the scheduled daily quantity and the actual daily flow of gas in a mutually agreeable manner. Types of allocation methods include, but are not limited to, Rank, Pro Rata, Percentage, Swing and Operator Provided Value. PDA's shall be provided by the interconnecting operator, and for multi-tiered allocations, may be provided by the upstream titleholders or shippers. Interconnecting operators at receipt locations shall provide a PDA to allocate to upstream titleholders. Upstream titleholders may provide a PDA to allocate to the parties taking possession of their gas at a receipt location. Buyers may provide a PDA to allocate to their nominations or imbalances at either receipt or delivery locations.

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GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY AND IMBALANCE ALLOCATIONS (Continued)

- (d) (1) Except as prescribed in Section 15(a) of the General Terms and Conditions, if confirming parties cannot agree upon an allocation methodology, "pro rata based upon confirmed nominations" shall be used as the default method.
 - (2) Operator may negotiate and enter into OBA's with interstate pipelines, intrastate pipelines and other entities. No Difference balanced in-kind shall be allocated to any Buyer at the receipt or delivery points covered by the OBA. If an interstate pipeline charges Operator for Differences in the OBA, however characterized, Operator shall charge such interstate pipeline an equivalent and offsetting charge. If Operator is unable to charge or collect such equivalent and offsetting charges for such Differences, Operator, on an as-billed basis, shall allocate and bill such charges to Buyers responsible for the imbalance at the point of interconnection at which the Difference giving rise to the charges occurred.
 - (3) Where an OBA exists between interconnecting parties, a PDA is not necessary.
 - (4) Changes to a PDA may be made prospectively during the Month if such changes are approved by Operator. Only one PDA may be submitted per Gas Day. Operator may in its reasonable discretion make retroactive reallocations of transactions to correct for errors. Otherwise, no retroactive reallocations of any transactions shall be permitted without the approval of Operator and the agreement of those Buyers with Service Agreements affected by such retroactive reallocations, provided that the agreement by such affected Buyers shall not be unreasonably withheld.
 - (5) PDA's shall remain in effect until a replacement PDA is received from the interconnecting operator or upstream title holder; provided, however, PDA's shall be updated at the beginning of each Month or as needed during a Month as Buyers' nominations change.
 - (6) If the PDA is provided using EDI, Operator shall respond with an EDI confirmation indicating receipt of the PDA within 15 minutes, and whether there are any errors associated with the PDA.
- (e) Prior Period Adjustments. Except for minor variations as agreed to by Operator and Buyer, prior period measurement adjustments will be taken back to the Month during which such gas flowed and reflected as such on invoices, imbalance statements and allocation statements. A meter adjustment becomes a prior period adjustment after the fifth business day following the business month. Measurement corrections shall be processed within 6 Months of the end of the flow Month, within a 3 Month rebuttal period. This provision does not apply in cases of deliberate omission, or misrepresentation, or mutual mistake of fact. No Party's other statutory or contractual rights are affected by this provision.

GENERAL TERMS AND CONDITIONS
(Continued)

15. CAPACITY AND IMBALANCE ALLOCATIONS (Continued)

- (f) Disputed Allocations. Disputed allocations shall be communicated to Operator within 6 Months of the initial Month-end allocation, with a 3 Month rebuttal period. This time limitation shall not apply in the case of deliberate omission or misrepresentation, or mutual mistake of fact. No Party's other statutory or contractual rights are affected by this provision.
- (g) Monitoring. For operational monitoring at electronically measured locations, allocated quantities shall be available the next Business Day after the gas has flowed at the end of the Gas Day. The scheduled quantity shall be made available at locations which are not measured electronically. The party receiving nominations shall provide allocation statements to the appropriate party for the meters it operates each Month. Measurement data available upstream of any aggregation point should be sent to the allocating party and used to allocate the aggregate volume back to the upstream points.
- (h) Imbalance Netting and Trading. All of Buyer's imbalances including any prior period adjustments will be netted across rate schedules at the end of each month. Trading of the previous month's netted imbalances will be allowed between Buyers from the 1st calendar day until the end of the 17th business day following the end of the month. Trading will be allowed when the resulting trade will reduce the imbalances for each Buyer. Netting and trading shall be provided to Buyers at no charge.
- (i) Third Party Imbalance Management Service. Operator will not discriminate against third party imbalance management service providers.

16. INTERRUPTIONS OF SERVICE

Interruptions of service for purposes of this Tariff (i) shall include but not be limited to decreasing, suspending, or discontinuing the discharging of LNG or receipt or delivery of Natural Gas, and (ii) shall be effected by Operator in accordance with the provisions of this Section.

(a) Interruptions of Firm Services.

- (1) If due to force majeure, routine maintenance, modifications, tests or repairs to Operator's facilities or the need to protect the integrity or performance capability of its facilities, the available capacity in Operator's facilities or a portion thereof is temporarily insufficient to meet all of Operator's authorized firm services on any day, then Operator, upon providing as much notice as possible, shall interrupt all such services in accordance with the priorities set forth at Section 16(d) below. Operator will specify in interruption orders issued pursuant to this Section the: (i) date and time by which Buyer must comply; and (ii) the revised quantity (if any) authorized to flow (Lowered Quantity). Operator will make every effort to schedule routine maintenance so that its firm delivery obligations under Rate Schedule FPS-1, FPS-2 and FPS-3 can be met during the Withdrawal Season.
- (2) Where Operator's ability to render service is impaired in a particular portion of Operator's facilities, interruptions of firm services shall be effected, in accordance with Section 16(a)(1) above, only for those Buyers served through the portion(s) of Operator's facilities in which service has been impaired.
- (3) A Buyer that fails to interrupt its firm service as directed by Operator shall be subject to penalties as set forth at Section 12 (Penalties) of the General Terms and Conditions.

GENERAL TERMS AND CONDITIONS
(Continued)

16. INTERRUPTIONS OF SERVICE (Continued)

(b) Interruptions of Interruptible Service.

- (1) Operator may interrupt any interruptible services (i) for the reasons set forth in Section 16(a) above, or (ii) for the purpose of making capacity available for firm services. Whenever Operator determines that such interruption is appropriate, Operator shall do so in accordance with the priorities set forth at Section 16(d) below.
- (2) Where Operator's ability to render service is impaired in a particular portion of Operator's facilities, interruptions of interruptible services shall be effected, in accordance with Section 16(b) (1) above, only for those Buyers served through the portion(s) of Operator's facilities in which service has been impaired.
- (3) A Buyer that fails to interrupt its interruptible service as directed by Operator shall be subject to penalties as set forth at Section 12 (Penalties) of the General Terms and Conditions.

(c) Notice of Interruptions. If Operator interrupts services under any of its Rate Schedules at any time during any day as herein provided, Operator shall give as much notice of such interruptions as is practicable. When possible, Operator shall announce interruptions at 3:00 p.m. on the day preceding the planned interruption. Operator shall notify by facsimile each Buyer whose service is interrupted and shall post a notice of interruption on its Electronic Bulletin Board (EBB). Direct interconnect parties shall also receive notice of interruption from Operator's Gas Controllers by telephone or facsimile transmission; provided that such direct interconnect parties have, as required, made available a representative to maintain 24-hour contact with Operator to receive such notices. Such a representative shall have the requisite authority and capability to make any adjustments required as a result of Operator's notice of interruption. In the event of any conflicting communications, notices from Operator's Gas Controllers shall control.

(d) Service Priorities. The provisions of this paragraph apply to all Operator's Rate Schedules and all Service Agreements with Buyers thereunder. In the event capacity or facilities are not available to continue the receipt, liquefaction, storage, vaporization, transportation, or delivery of all Buyer's Natural Gas or LNG which has been scheduled and is flowing on Operator's facilities, Operator, shall interrupt service provided through the capacity in the constrained facilities among and within Rate Schedules in the priority set forth as follows until the necessary level of interruption (including complete interruption of the Cove Point LNG Plant and/or Cove Point Pipeline, if necessary), is achieved.

- (1) First, quantities flowing as Authorized Overrun service quantities under Operator's Rate Schedule LTD-2;
- (2) Second, quantities under Operator's Rate Schedule LTD-2 and ITS, beginning with Buyers paying the lowest price and pro rata among Buyers paying the same price;

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GENERAL TERMS AND CONDITIONS
(Continued)

16. INTERRUPTIONS OF SERVICE (Continued)

- (d) (3) Third, quantities flowing as Authorized Overrun service quantities under Operator's Rate Schedules LTD-1, FTS, FPS-1, FPS-2 and FPS-3;
- (4) Fourth, quantities under Rate Schedules LTD-1, FTS, FPS-1, FPS-2 and FPS-3 (including any Authorized Excess Withdrawal Quantity) pro rata on the basis of Buyers' level of MDDQ and MDPQ.

17. OPERATIONAL FLOW ORDERS

Operational Flow Orders (OFO's) are orders by Operator directing that Buyer commence tenders of gas to or takes of gas from Operator's system. To the extent feasible, Operator shall attempt to direct such OFO's to those Buyers causing the condition that necessitates issuance of the OFO. Operator shall issue OFO's in order to alleviate conditions which may threaten the integrity and performance capability of its facilities. Before issuing an OFO, Operator will attempt to remedy those operating conditions through requests for voluntary action provided, however, exigent circumstances may exist which require immediate issuance of an OFO. OFO's may be issued by Operator at any time by telephone, facsimile and EBB communication to Buyer's representative; provided, however, that in non-emergency situations, Operator shall notify affected customers of impending OFO's by giving no less than twenty-four (24) hours notice, unless exigent circumstances dictate otherwise. Each OFO will contain the following provisions:

- (a) time and date of issuance;
- (b) time that the OFO is considered to be effective (if no time is specified, the OFO shall be effective immediately);
- (c) duration of the OFO (if none is specified, the OFO will be effective until further notice);
- (d) a description of the area of Operator's system in which the OFO is in effect;
- (e) the specific actions required to comply with the OFO including the time frame within which compliance is required before penalties are incurred;
- (f) any other terms Operator may reasonably require to ensure the effectiveness of the OFO, and
- (g) Operator will publish all notices of implementation of an OFO and all provisions of an OFO on Operator's EBB and, at Buyers choice, notify Buyer of such notice either by e-mail or directly to Buyer's Internet URL address, as expeditiously as possible.
- (h) Upon termination of an OFO, Operator will post on Operator's EBB relevant information specific to the individual situation regarding the issuance and lifting of that particular OFO, as soon as it is available.

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GENERAL TERMS AND CONDITIONS
(Continued)

18. BILLING AND PAYMENT

(a) Billing.

- (1) On or before the tenth day after the final monthly meter reading for each Billing Month, Operator shall render to Buyer an imbalance statement and a statement detailing (i) the billing determinants applicable to each Rate Schedule under which Buyer has contracted for service, (ii) the total quantity of Natural Gas delivered to or for the account of Buyer under each Rate Schedule during each Day of the preceding Billing Month, (iii) the net billing rate and the amount due. Billing statements and imbalance statements shall be deemed to be rendered when such statements are deposited by Operator with the U.S. Mail for first-class delivery, as evidenced by the postmark date, or deposited by Operator with an overnight courier service for delivery to Buyer.
- (2) When information necessary for billing purposes is in the control of Buyer, Buyer shall furnish such information to Operator on or before the fifth day after the final meter reading of each Billing Month.
- (3) Both Operator and Buyer shall have the right to examine, at such reasonable times agreed to by both parties, each other's books, records, and charts to the extent necessary to verify the accuracy of any statement, charge, or computation made pursuant to any of the provisions of this Section.

GENERAL TERMS AND CONDITIONS
(Continued)

18. BILLING AND PAYMENT (Continued)

(b) Payment.

- (1) On or before the tenth day after Operator renders its bill to Buyer for the gas delivered during the preceding Billing Month, except when such tenth day is a Saturday, Sunday or federal bank holiday, Buyer shall pay Operator by wire transfer of Federal Funds immediately available to Operator at such bank account as Operator shall designate. When the payment due date falls on a Saturday, Sunday, or federal bank holiday, payment is due on the following Business Day. All such payments shall be considered to have been made on the date when Operator has use of said funds. Notwithstanding the foregoing, a Buyer whose monthly statement total amount due is less than \$10,000.00 may elect to make payment by check which shall be sent by U.S. Mail, First Class delivery and postmarked on or before the twentieth day of the month. All payments shall be identified by invoice number and, if a payment differs from the invoiced amount, remittance detail shall be provided with payment.
 - (2) If rendering of a bill by Operator is delayed until one or more days after the tenth day following the final monthly meter reading, then the time of payment shall be extended by the same number of days unless Buyer is responsible for such delay.
 - (3) Should Buyer fail to pay all of the amount of any bill as herein provided, interest on the unpaid portion of such bill shall be computed at the rate set forth in Section 154.67 of the Commission's Regulations, prorated for the number of days from the due date of payment until the actual date of payment.
 - (4) If Buyer in good faith disputes the amount of any such bill or part thereof, Operator shall not be entitled to suspend further delivery of Natural Gas if (i) Buyer pays to Operator such amounts it concedes to be correct and provides written documentation as to the basis for the dispute; (ii) within thirty (30) days of a demand made by Operator, Buyer furnishes good and sufficient surety bond in the amount and with surety satisfactory to Operator; (iii) such surety bond guarantees payment to Operator in the amount ultimately found due upon such bill, plus accrued interest, upon a final determination by agreement or by judgement of the courts; and (iv) Buyer does not default on the conditions of such bond.
- (c) Adjustment of Billing Errors. If it shall be determined that Buyer has been overcharged or undercharged in any form whatsoever and Buyer has actually paid the bills containing such overcharge or undercharge, Operator shall refund the amount of any such overcharge or Buyer shall pay the amount of any such undercharge within thirty (30) days after final determination of such amounts. In the event an error is discovered in the amount billed in any statement rendered by Operator, such error shall be adjusted within thirty (30) days of Operator's determination of such error, provided that the claim therefore shall have been made within thirty (30) days after the date of discovery of such error, but in no event later than six (6) months after the date of such statement and 7 months from the date of the initial sales invoice with a three (3) Month rebuttle period. These time limitations shall not apply in cases of FERC required rate changes, to deliberate omissions, to misrepresentations or mutual mistake of fact. Neither Buyer's nor Operator's other statutory or contractual rights shall be affected by this provision.

GENERAL TERMS AND CONDITIONS
(Continued)

18. BILLING AND PAYMENT (Continued)

- (d) Suspension or Termination for Nonpayment. If Buyer under any Rate Schedule becomes delinquent by ten (10) days in the payment of any invoice, then such Buyer shall provide adequate assurance of payment to Operator within ten (10) days of the date of Operator's written notice of such delinquency. If Buyer does not, within such ten (10) day period, pay the invoice together with accrued interest, or does not provide adequate assurance of payment in accordance with the provisions of Section 6(d) (Operating Conditions) of the General Terms and Conditions, Operator may immediately suspend service to Buyer upon notice to Buyer. If the invoice is not paid in full within thirty (30) days after its due date and Buyer has not provided adequate assurance of payment, Operator, in addition to any other remedies it may have, may terminate the Service Agreement, effective after ten (10) days notice to Buyer. Such termination, however, will not be effectuated if Buyer pays all amounts due Operator and, if required by Operator, provides adequate assurance of payment for future service within such 10-day period. Termination of the Service Agreement shall not excuse payments of the amounts then due or any other existing obligation of Buyer including obligations to make future payments. Operator shall not be entitled to suspend service or terminate Buyer's Service Agreement pending resolution of an invoice disputed in good faith by Buyer if Buyer complies with the provisions of Section 18(b)(4) above.
- (e) Refunds. Operator shall pay any refunds owed in excess of \$10,000.00 to any Buyer by wire or other electronic fund transfer of Federal Funds immediately available to Buyer at such bank account as Buyer shall designate.

19. MEASUREMENTS AND TESTS FOR DELIVERY OF NATURAL GAS

The volumes of Natural Gas received or delivered through a meter or meters shall be determined in accordance with the provisions set forth in this Section.

- (a) Measurement Unit. The Measurement Unit shall be one Dekatherm (Dth) of Natural Gas and shall be calculated by multiplying the volume delivered in Mcf by a fraction, the numerator of which is the Heating Value and the denominator of which is 1,000.
- (b) Volumetric Measurement Base. The volumetric measurement base shall be one cubic foot of Natural Gas at a pressure base of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees (60) Fahrenheit (519.67 R Absolute), and dry. For gas volumes reported in cubic meters, 101.325 kPa, 15 degrees C, dry.
- (c) Atmospheric Pressure. The average absolute atmospheric (barometric) pressure shall be assumed to be fourteen and four-tenths (14.4) pounds per square inch, irrespective of actual elevation or location of the delivery point above sea level or variations in actual barometric pressure from time to time.

GENERAL TERMS AND CONDITIONS
(Continued)

19. MEASUREMENTS AND TESTS FOR DELIVERY OF NATURAL GAS (Continued)

- (d) Temperature. The temperature of the Natural Gas shall be determined at Operator's option:
 - (1) where Electronic Measurement equipment is provided, by continuous application of instantaneous temperature measurements from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the temperature record from one or more of the meters for the time during which gas is flowing;
 - (2) where Electronic Measurement equipment is not provided,
 - (i) where an instrument which measures and records the temperature of the flowing gas is installed, by contemporaneous application of the arithmetic or other average of the hourly or daily temperature record from one or more of the meters at a measuring station, or
 - (ii) where an instrument which measures and records the temperature of the flowing gas is not installed, by contemporaneous application of the temperature as read from established tables of monthly averages for the point of measurement; or
 - (3) by any other method or methods mutually agreed upon by Operator and Buyer.
- (e) Static Pressure. The static pressure of the Natural Gas shall be determined at Operator's option:
 - (1) where Electronic Measurement equipment is provided, by continuous application of instantaneous static pressure measurements from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the static pressure record from one or more of the meters for the time during which gas is flowing;
 - (2) where Electronic Measurement equipment is not provided, by contemporaneous application of the static pressure record from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the hourly or daily static pressure record from one or more of the meters at a measuring station; or
 - (3) by any other method or methods mutually agreed upon by Operator and Buyer.

GENERAL TERMS AND CONDITIONS
(Continued)

19. MEASUREMENTS AND TESTS FOR DELIVERY OF NATURAL GAS (Continued)

- (f) Specific Gravity. The specific gravity (relative density) of the Natural Gas shall be determined by gravitometric, chromatographic, or other generally accepted analytical method at Operator's option:
- (1) where Electronic Measurement equipment is provided,
 - (i) by contemporaneous application of continuous instantaneous specific gravity measurements, or by contemporaneous application of arithmetic or other average of the specific gravity for the time during which gas was flowing,
 - (ii) by prospective application of the arithmetic or other average of the specific gravity record, or
 - (iii) by prospective application of the results of analyses of samples of the gas;
 - (2) where Electronic Measurement equipment is not provided,
 - (i) by contemporaneous application of the arithmetic or other average of the hourly or daily continuous specific gravity record,
 - (ii) by prospective application of the results of analyses of samples of the gas; or
 - (3) by any other method or methods mutually agreed upon by Operator and Buyer.
- (g) Heating Value. The heating value of the Natural Gas shall be determined by calorimetric, chromatographic, or other generally accepted analytical method at Operator's option:
- (1) where Electronic Measurement equipment is provided,
 - (i) by contemporaneous application of continuous instantaneous heating value measurements, or by contemporaneous application of the arithmetic or other average of the heating value for the time during which gas was flowing,
 - (ii) by prospective application of the arithmetic or other average of the heating value Record, or
 - (iii) by prospective application of the results of analyses of samples of the gas;
 - (2) where Electronic Measurement equipment is not provided,
 - (i) by the contemporaneous application of the arithmetic or other average of the hourly or daily continuous heating value Record,
 - (ii) by prospective application of the results of analyses of samples of the gas; or
 - (3) by any other method or methods mutually agreed upon by Operator and Buyer.

GENERAL TERMS AND CONDITIONS
(Continued)

19. MEASUREMENTS AND TESTS FOR DELIVERY OF NATURAL GAS (Continued)

(h) Supercompressibility.

- (1) The deviation of the Natural Gas from the Ideal Gas Laws shall be determined:
 - (i) in accordance with the American Gas Association, Par Research Project NX-19 report, titled "Manual for the Determination of Supercompressibility Factors for Natural Gas", Reprinted 1976, if the composition of the natural gas is such to render this procedure applicable, or
 - (ii) by any other method mutually agreed upon by Operator and Buyer.
- (2) If the measurement method used by Operator requires the concentrations of nitrogen and carbon dioxide, the concentrations of nitrogen and carbon dioxide shall be determined by chromatographic or other generally accepted analytical method at Operator's option:
 - (i) where Electronic Measurement equipment is provided,
 - (a) by contemporaneous application of continuous instantaneous measurements of the concentrations of nitrogen and carbon dioxide, or by contemporaneous application of the arithmetic or other average of the concentrations of nitrogen and carbon dioxide for the time during which gas was flowing,
 - (b) by prospective application of the arithmetic or other average of the concentrations of nitrogen and carbon dioxide record, or
 - (c) by prospective application of the results of analyses of samples of the gas; or
 - (ii) where Electronic Measurement equipment is not provided,
 - (a) by the contemporaneous application of the arithmetic or other average of the hourly or daily concentrations of nitrogen and carbon dioxide, or
 - (b) by prospective application of the results of analyses of samples of the gas; or
- (3) by any other method or methods mutually agreed upon by Buyer and Operator.

(i) Measuring Equipment.

- (1) Unless otherwise agreed to in writing, Operator shall install, operate, and maintain measuring stations and equipment by which the quantities of Natural Gas delivered by Operator are determined.

GENERAL TERMS AND CONDITIONS
(Continued)

19. MEASUREMENTS AND TESTS FOR DELIVERY OF NATURAL GAS (Continued)

- (i) (2) Unless otherwise agreed to in writing, or unless gas is being received from an interstate pipeline company which has an approved FERC Gas Tariff governing measurement of gas it delivers, Operator will install, operate and maintain measuring stations and equipment by which the quantities of Natural Gas received by Operator are determined.
- (3) Where measuring stations and associated equipment are installed, maintained or operated by Buyer, they shall be designed and installed in accordance with all engineering and other standards and practices as specified by Operator, and Operator shall have the right to be present and inspect the installation of all such measuring stations and equipment to insure compliance with such standards and practices. Buyer and Operator shall agree in writing to reasonable standards and practices by which such measuring stations and associated equipment shall be operated by Buyer as required to insure the continuous accuracy thereof and as required by Operator to provide Operator with continuous, real-time measurements and flows.
- (4) Buyer and Operator shall have the right to be present at the time of any installation, reading, cleaning, change of charts, repair, inspection, test, calibration, or adjustment made in connection with Operator's or Buyer's measuring stations or equipment used to measure gas received by Operator for Buyer or delivered by Operator to Buyer.
- (5) The records from measuring equipment shall remain the property of the operator of such equipment, but upon request the operator will submit to the other party its records, together with calculations therefrom, for inspection, subject to return within thirty (30) days after receipt thereof.
- (6) Orifice meters shall be installed and operated, and gas quantities computed, in accordance with AGA Report No. 3, American National Standards Institute ANSI/API 2530, "Orifice Metering of Natural Gas", revised Second Edition, 1985, applied in a practical and appropriate manner, except that the supercompressibility factor shall be calculated in accordance with Section 19(h) above.
- (7) Turbine meters shall be installed and operated, and gas quantities computed, in accordance with AGA Transmission Measurement Committee Report No. 7, "Measurement of Gas by Turbine Meters", 1985 Edition, applied in a practical and appropriate manner, except that the supercompressibility factor shall be calculated in accordance with Section 19(h) above.
- (8) Diaphragm meters shall be installed and operated, and gas quantities computed, in accordance with ANSI 8109.1 or 8109.2, "Diaphragm Type Gas Displacement Meters", 1986, applied in a practical and appropriate manner, except that the supercompressibility factor shall be calculated in accordance with Section 19(h) above.
- (9) Rotary meters shall be installed and operated, and gas quantities computed, in accordance with ANSI 8109.3, "Rotary Type Gas Displacement Meters", 1986, applied in a practical and appropriate manner, except that the supercompressibility factor shall be calculated in accordance with Section 19(h) above.

GENERAL TERMS AND CONDITIONS
(Continued)

19. MEASUREMENTS AND TESTS FOR DELIVERY OF NATURAL GAS (Continued)

- (i) (10) Other types of meters may be used if mutually agreed to by Operator and Buyer.
- (11) Instrumentation and equipment to provide Records or samples of gas necessary to determine the specific gravity, heating value, and/or concentrations of nitrogen or carbon dioxide as required under Sections 19(f), 19(g), and 19(h) hereof may be installed at representative points along the pipeline in lieu of installing such instrumentation and equipment at each measuring station.
- (12) Upon notice to Buyers, Operator may prospectively implement and use any future editions or versions of the American Gas Association or ANSI reports referenced in this Section 19.
- (13) Nothing in this Section 19(i) shall be construed to require Operator to construct any facilities.
- (j) Check Measuring Equipment.
 - (1) Buyer may install check measurement equipment, provided such equipment does not interfere with the exercise of Operator's rights to operate its station under this Tariff.
 - (2) Operator, in the presence of Buyer, shall have access to Buyer's check measuring equipment at all reasonable times, but the reading, calibration and adjustment thereof and the change of charts shall be performed only by Buyer, unless otherwise agreed upon.
 - (3) Buyer shall exercise reasonable care in the installation, maintenance and operation of its equipment so as to avoid any inaccuracy in the determination of the quantity of gas delivered.
 - (4) The records from such check measuring equipment shall remain the property of Buyer, but upon request Buyer will submit to Operator its records and charts, together with calculations therefrom, for inspection, subject to return within thirty (30) days after receipt thereof.
- (k) Calibration and Testing of Meters. The accuracy of all measuring equipment shall be verified by its operator at reasonable intervals and, if requested, in the presence of representatives of the other party, but neither Operator nor Buyer shall be required to verify the accuracy of such equipment more frequently than once in any 30-day period. If either party at any time desires a special test of any measuring equipment, or if either party at any time observes an error in any such measuring equipment, it will promptly notify the other party, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test shall be borne by the requesting party if the measurement equipment so tested is found not to be in error such that previous recordings from the equipment must be corrected under the provisions of Section 19(l) herein.

GENERAL TERMS AND CONDITIONS
(Continued)

19. MEASUREMENTS AND TESTS FOR DELIVERY OF NATURAL GAS (Continued)

- (l) Correction of Metering Errors. If, upon any test, any measuring equipment is found to be in error, such that the resultant aggregate error in the computed volumes of gas and quantities of energy received or delivered does not exceed two percent (2%), such errors may be taken into account in a practical manner in computing the volumes of gas and quantities of energy received or delivered. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in the computed volumes of gas and quantities of energy received or delivered exceeds two percent (2%), previous recordings of such equipment, and the corresponding volumes of gas and quantities of energy received or delivered, shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one half of the time elapsed since the date of the last test, not exceeding a correction period of sixteen (16) days.
- (m) Failure of Measuring Equipment.
 - (1) In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, previous recordings from such equipment, or the volumes of gas or quantities of energy received or delivered through such equipment, shall be estimated:
 - (i) by using the registration of any check meter or meters if installed and accurately registering;
 - (ii) in the absence of check meters, by correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation;
 - (iii) in the absence of check meters or the possibility of calibrations, by using recordings or quantities received or delivered through such equipment during periods under similar conditions when the equipment was registering accurately; or
 - (iv) as otherwise agreed by Operator and Buyer.
 - (2) The recordings from such equipment, or the volumes of gas and quantities of energy received or delivered through such equipment, so estimated shall be used in determining the volumes of gas and quantities of energy received or delivered for any known or agreed upon applicable period. In case the period is not known or agreed upon, such estimated receipts or deliveries shall be used in determining the quantity of gas received or delivered hereunder during the latter half of the period beginning on the date of the immediately preceding test and ending on the date the measuring equipment has been adjusted to record accurately. The recordings of the measuring equipment during the first half of said period shall be considered accurate in computing receipts or deliveries.
- (n) Preservation of Records. Both Operator and Buyer shall preserve all test data, charts, and other similar records for a period of at least two (2) years, or such other longer period as may be required by public authority.

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GENERAL TERMS AND CONDITIONS
(Continued)

20. CONSTRUCTION OF FACILITIES

- (a) Arrangement for Construction of Receipt and Delivery Facilities. Subject to conditions specified in this Section 20, Operator will construct or provide facilities necessary for the receipt and delivery of Natural Gas or LNG into its system if Operator determines (i) that no undue burden will thereby be placed upon Operator, and (ii) that no impairment of Operator's ability to render adequate service to its customers will result therefrom; and provided that Operator first is able to obtain all necessary governmental and other authorizations.
- (b) Method of Payment. In the event Operator constructs facilities at the request of Buyer, Buyer shall pay Operator for the costs of such facilities in a manner agreed to in writing by Buyer and Operator in advance of construction of any such facilities. Such methods of payment may include, but shall not be limited to, a lump sum payment covering all the costs of such facilities, including income tax gross-up and applicable operation and maintenance.
- (c) Construction of Other Facilities. Operator in its sole discretion may construct other facilities in accordance with the regulations of the Commission.

21. SCHEDULES AND CONTRACTS SUBJECT TO REGULATION AND REVISION

- (a) Subject to Regulation. This Tariff, including the Rate Schedules, the General Terms and Conditions, and the respective obligations of the parties under the Service Agreements and assignment Agreements, is subject to all valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction.
- (b) Subject to Revision. Unless otherwise specified in the Service Agreement, Operator reserves the right from time to time to unilaterally file and to make effective revisions in the terms or rate levels (to the extent they are stated rates on file with the Commission and not negotiated based upon market conditions) of its Rate Schedules and the applicability thereof, the General Terms and Conditions or any other provisions of Operator's Tariff, subject to the applicable provisions of the Natural Gas Act and the Commission's Regulations thereunder.

GENERAL TERMS AND CONDITIONS
(Continued)

22. COMPLAINT RESOLUTION PROCEDURE

- (a) Any Buyer or potential Buyer may make a written complaint to Operator, addressed to, Attention: General Counsel, regarding any dispute between Buyer and Operator arising under this Tariff. Buyer must specify each reason for the dispute. Within two business days of receiving a complaint, Operator shall provide an initial response to complainant, acknowledging receipt of the complaint and requesting further information as appropriate. If satisfactory resolution has not been achieved within thirty (30) days after receipt of Buyer's complaint, Operator shall appoint a Committee of appropriate and necessary personnel to review the complaint and provide a written decision to the complainant addressing each element thereof, and, where appropriate, recommending a course of action (the "Initial Decision"). In the event the complainant disagrees with this determination and makes a written request for reconsideration or clarification, specifying each reason the complainant disagrees with the Initial Decision, the Committee shall consider such request and within thirty (30) days after receipt thereof shall render its final written decision to complainant, addressing each element thereof and, where appropriate, recommending a course of action ("Final Decision"). At any time subsequent to the filing of the complaint, either the complainant or the Committee shall be prepared to meet with the other, upon request, at a time and place mutually agreed upon.
- (b) The parties' participation in the foregoing procedures shall not be construed as a waiver of any legal or administrative rights which the parties may have. In order to facilitate a prompt and equitable resolution of any dispute, the parties, by participating in the meeting contemplated above, shall be deemed to agree that all notes and discussions at such meeting shall be confidential and privileged as in the nature of settlement discussions and shall not be admissible in evidence against any party in any other proceeding.

23. ANNUAL CHARGE ADJUSTMENT

- (a) Purpose. For the purpose of funding of the Federal Energy Regulatory Commission's costs incurred in any fiscal year, this Section 23 establishes an annual charge adjustment applicable to the Operator's transportation rate schedules.
- (b) Basis of the Annual Charge Adjustment. The rate schedules specified herein shall include an increment for an Annual Charge Adjustment ("ACA") for Federal Energy Regulatory Commission costs. Such adjustment shall be the ACA unit charge, adjusted to Operator's pressure base and heating value, if required, which is specified by the Federal Energy Regulatory Commission each year to recover its costs for its previous fiscal year. The ACA shall be reflected on the Currently Effective Rate Sheets of this Tariff. By electing the FERC ACA unit charge method of recovery, Operator hereby acknowledges its intent not to recover any annual charges in any general rate proceeding filed under Section 4(e) of the Natural Gas Act.
- (c) Filing Procedure. The initial ACA or any subsequent changes in such assessment charge shall be filed by the Operator at least thirty (30) days prior to the proposed effective date, unless, for good cause shown, a lesser notice period and different effective date is allowed by valid Commission order. The proposed effective date of filings shall be October 1 of each calendar year.

GENERAL TERMS AND CONDITIONS
(Continued)

24. NOTICES

- (a) Unless otherwise specifically provided in this Tariff that notices are to be performed through Operator's EBB, or through EDI, each notice, request, demand or other communication given when delivered by hand, or five days after it is sent by mail, or one day after being sent by telex or facsimile (with receipt confirmed) provided a copy is also sent by mail, addressed as provided in the applicable Service Agreement. Any notice, request, demand, communication, or other posting made on Operator's EBB or on EDI as required by this tariff shall be considered as duly delivered when transmitted by the sending party. Routine communication by telephone between members of the operating staffs of Operator and Buyer shall be considered duly delivered without confirmation by mail. If Operator is required by this Tariff to provide any notice, request, demand or other communication to a Buyer by telephone communication, Operator may, at its option, make such communication via facsimile without any telephonic communication. Systemwide notices shall have a separate category for notices which are not critical.

Any party may change its address or representative for purposes of notice by giving the other parties notice in the manner set forth above.

25. MARKETING AFFILIATE - SHARED PERSONNEL AND FACILITIES

Cove Point does not share facilities or operating personnel with any of its marketing affiliates.

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Third Revised Sheet No. 153 Third Revised Sheet No. 153 : Effective
Superseding: Second Revised Sheet No. 153

GENERAL TERMS AND CONDITIONS
(Continued)

26. Compliance with 18 CFR, Section 284.12

Except where this tariff provides to the contrary, Operator shall comply with the business practices and electronic communication standards incorporated by reference in Section 284.12 of the Commission's Regulations (18 CFR Section 284.12), as listed below:

NAESB Standards (Version 1.5): 0.3.1; 1.3.2 (v-vi); 1.3.3 - 1.3.4; 1.3.9; 1.3.14; 1.3.17-1.3.18; 1.3.22 - 1.3.27; 1.3.29 - 1.3.78; 1.3.79; 1.4.1 - 1.4.7; 2.3.1; 2.3.9; 2.3.10; 2.3.12; 2.3.15; 2.3.17; 2.3.20 - 2.3.21; 2.3.23 - 2.3.24; 2.3.27; 2.3.31 - 2.3.50; 2.4.1 - 2.4.16; 3.3.1 - 3.3.3; 3.3.5 - 3.3.13; 3.3.16; 3.3.17; 3.3.20 - 3.3.26; 3.4.1 - 3.4.4; 4.3.1 - 4.3.76; 4.3.78 - 4.3.87; 5.3.9 - 5.3.11; 5.3.16 - 5.3.17; 5.3.20 - 5.3.25; 5.3.30 - 5.3.43; 5.4.1 - 5.4.19; 6.3.3; 6.5.2

NAESB Definitions (Version 1.5): 1.2.1 - 1.2.6; 1.2.8 - 1.2.19; 2.2.1 - 2.2.3; 3.2.1; 4.2.1 - 4.2.20; 5.2.1 - 5.2.2

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Sheet Nos. 154 - 199 Sheet Nos. 154 - 199 : Effective

SHEET NOS. 154 THROUGH 199
ARE RESERVED FOR FUTURE USE

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Superseding: Original Sheet No. 200

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULES: LTD-1, LTD-2, FPS-1, FPS-2, FPS-3, FTS and ITS

SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, by and between COVE POINT LNG LIMITED PARTNERSHIP ("Operator") and ("Buyer").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Operator shall perform and Buyer shall receive service in accordance with the provisions of the effective Rate Schedule _____, the applicable General Terms and Conditions of Operator's FERC Gas Tariff, First Revised Volume No. 1, on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission and the terms and conditions of this Service Agreement including Appendices A and B. The maximum obligation of Operator to provide service to or for Buyer is specified in Appendix A, as the same may be amended from time to time by agreement between Buyer and Operator. Service hereunder shall be provided subject to the provisions of Subpart _____ of Part 284 of the Commission's regulations. [For Subpart B service, Buyer warrants that service hereunder is being provided on behalf of _____, a local distribution company or an intrastate pipeline.]

Section 2. Term. Service under this Agreement shall commence as of _____ and shall continue in full force and effect until _____. Pre-granted abandonment shall apply upon termination of this Agreement.

Section 3. Rates. Unless otherwise agreed to by the parties in writing, and subject to Appendix B attached hereto, Buyer shall pay Operator the maximum charges and furnish Retainage as set forth in the above-referenced Rate Schedule and Tariff.

Section 4. Notices. Notices to Operator under this Agreement shall be addressed to it at 445 W. Main Street, Clarksburg, WV 26301 and notices to Buyer shall be addressed to it at Attention: _____, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements:

BUYER
By _____
Title _____
Date _____

COVE POINT LIMITED PARTNERSHIP
By _____
Title _____
Date _____

Effective Date: 06/01/2003 Status: Effective
FERC Docket: CP01-76-003

Original Sheet No. 200A Original Sheet No. 200A : Effective

Attachment D

_____ Sheet No. _____

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE: LTD-1

APPENDIX A

to

LTD-1 SERVICE AGREEMENT
between Cove Point LNG Limited Partnership (Operator)
and _____ (Buyer)

Quantity: Maximum Daily Delivery Quantity _____ dth (MDDQ)

Delivery Points:

Primary Delivery Points for Natural Gas

Measuring: _____

Station Name: _____ MDDQ (dth/d)

Secondary Delivery Points for Natural Gas:

The Master List of Interconnects ("MLI") as defined in the GT&C of Operator's Tariff is incorporated herein by reference for purposes of listing valid secondary delivery points.

Other Terms and Conditions:

Service Changes pursuant to this Appendix A shall commence as of _____. This Appendix A shall cancel and supercede the previous Appendix A to this Service Agreement dated _____. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

BUYER

COVE POINT LNG LIMITED PARTNERSHIP

By _____
Title _____
Date _____

By _____
Title _____
Date _____

Effective Date: 06/01/2003 Status: Effective
FERC Docket: CP01-76-003

Original Sheet No. 200B Original Sheet No. 200B : Effective

Attachment D

_____ Sheet No. _____

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE: LTD-2

APPENDIX A

to

LTD-2 SERVICE AGREEMENT
between Cove Point LNG Limited Partnership (Operator)
and _____ (Buyer)

Quantity: Maximum Daily Delivery Quantity _____ dth (MDDQ)
Maximum Daily Storage Quantity _____ dth (MCSQ)

The Master List of Interconnects ("MLI") as defined in the GT&C of Operator's Tariff is incorporated herein by reference for purposes of listing valid interruptible delivery points.

Service Changes pursuant to this Appendix A shall commence as of _____. This Appendix A shall cancel and supercede the previous Appendix A to this Service Agreement effective as of _____, to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

BUYER

COVE POINT LNG LIMITED PARTNERSHIP

By _____
Title _____
Date _____

By _____
Title _____
Date _____

Effective Date: 06/14/2000 Status: Effective
FERC Docket: RP00-389-000

Original Sheet No. 201 Original Sheet No. 201 : Effective

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULES FPS-1, FPS-2 and FPS-3

Appendix A
to
FPS-__ Service Agreement
between Cove Point LNG Limited Partnership (Operator)
and (Buyer)

Quantity: Maximum Contract Peaking Quantity: Dth (MCPQ)
Maximum Daily Peaking Quantity: Dth (MDPQ)

Receipt Points/Delivery Points:

Primary Receipt Points for Natural Gas
Measuring Maximum Daily
Sta. Name Quantity (Dth/day)

Primary Delivery Points for Natural Gas
Measuring Maximum Daily
Sta. Name Quantity (Dth/day)

LNG Receipt and Delivery Points

Operator's LNG Storage Tanks

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Original Sheet No. 202 Original Sheet No. 202 : Effective

The Master List of Interconnects as defined in the General Terms and Conditions of Operator's Tariff is incorporated herein by reference for purposes of listing valid secondary receipt points and delivery points

Other Terms and Conditions:

Service changes pursuant to this Appendix A shall commence as of _____ . This Appendix A shall cancel and supersede the previous Appendix A to the Service Agreement dated _____ . With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

(BUYER)

COVE POINT LNG LIMITED PARTNERSHIP

By

By

Title

Title

Date

Date

Effective Date: 06/14/2000 Status: Effective
FERC Docket: RP00-389-000

Original Sheet No. 203 Original Sheet No. 203 : Effective

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE FTS

Appendix A
to
FTS Service Agreement
between Cove Point LNG Limited Partnership (Operator)
and (Buyer)

Maximum Firm Transportation Quantity (MFTQ): (Dth/day)
FTS Service IS/IS NOT being performed as the Elected FTS Service option pursuant
to Rate Schedule FPS-1, FPS-2 or FPS-3.

Primary Receipt Points

Measuring Sta. Name	Maximum Daily Quantity (Dth/day)
------------------------	-------------------------------------

Primary Delivery Points

Measuring Sta. Name	Maximum Daily Quantity (Dth/day)
------------------------	-------------------------------------

The Master List of Interconnects (MLI) as defined in the General Terms and Conditions of
Operator's Tariff is incorporated herein by reference for the purposes of listing valid secondary
receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of . This
Appendix A shall cancel and supersede the previous Appendix A effective as of ,
to the Service Agreement referenced above. With the exception of this Appendix A, all other terms
and conditions of said Service Agreement shall remain in full force and effect.

(BUYER)

COVE POINT LNG LIMITED PARTNERSHIP

By
Title
Date

By
Title
Date

Effective Date: 06/14/2000 Status: Effective
FERC Docket: RP00-389-000

Original Sheet No. 204 Original Sheet No. 204 : Effective

FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULE ITS

Appendix A
to
ITS Service Agreement
between Cove Point LNG Limited Partnership (Operator)
and (Buyer)

Interruptible Transportation Quantity (ITQ): Dth/day

The Master List of Interconnects (MLI) as defined in the General Terms and Conditions of Operator's Tariff is incorporated herein by reference for purposes of listing valid interruptible receipt points and delivery points.

Service changes pursuant to this Appendix A shall become effective as of . This Appendix A shall cancel and supersede the previous Appendix A effective as of , to the Service Agreement referenced above. With the exception of this Appendix A, all other terms and conditions of said Service Agreement shall remain in full force and effect.

(BUYER)
By
Title
Date

COVE POINT LNG LIMITED PARTNERSHIP
By
Title
Date

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FORM OF SERVICE AGREEMENT
UNDER RATE SCHEDULES LTD-1, LTD-2, FPS-1, FPS-2 and FPS-3

Appendix B
to
[LTD-1, LTD-2, FPS-1, FPS-2 or FPS-3] Service Agreement
Between Cove Point LNG Limited Partnership (Operator)
and _____ (Buyer)

Rates and Charges:

This Appendix B shall become effective as of _____ and shall cancel and supersede the previous Appendix B to the Service Agreement dated _____. With the exception of this Appendix B, all other terms and conditions of said Service Agreement shall remain in full force and effect.

(BUYER)
By
Title
Date

COVE POINT LNG LIMITED PARTNERSHIP
By
Title
Date

Effective Date: 06/01/2003 Status: Effective
FERC Docket: CP01- 76-003

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Superseding: Original Sheet No. 206

REQUEST FOR SERVICE FORM
COVE POINT LNG LIMITED PARTNERSHIP

A completed form must be submitted for each Rate Schedule requested.

1. TYPE OF SERVICE (Please check)
- A. Rate Schedule
 - 1. Firm LNG Tanker Discharging Service (LTD-1)
 - 2. Firm Peaking Service FPS-1 (10-day)
 - 3. Firm Peaking Service FPS-2 (5-day)
 - 4. Firm Peaking Service FPS-3 (3-day)
 - 5. Firm Transportation Service (FTS)
 - 6. Interruptible LNG Tanker Discharging Service (LTD-2)
 - 7. Interruptible Transportation Service (ITS)
 - B. Authority
 - 1. Part 284, Subpart B (NGPA _ 311)
 - 2. Part 284, Subpart G (Blanket Certificate)
 - C. Transportation Service

If Requestor is seeking service hereunder to be implemented pursuant to Section 311 of the NGPA, attach certification by the local distribution company or intrastate pipeline company, as defined in the NGPA, on whose behalf the service is requested, that such service is authorized to be provided within the meaning of 18 C.F.R. Section 284.102(d) (3), if the local distribution company will not have physical custody of and transport the gas or will not hold title to the gas.

Service to be provided on behalf of:
, a/an:

- 1. Local Distribution Company
- 2. Intrastate Pipeline Company
- 3. Interstate Pipeline Company
- 4. End user

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Original Sheet No. 207 Original Sheet No. 207 : Effective

REQUEST FOR SERVICE FORM
(Continued)

2. IDENTITY OF BUYER

A. Legal Name:

B. Mailing Address:

C. Street Address:
(if different from B, no P.O.
Boxes)

D. Billing Address:
(if different
from B)

E. Energy Information Administration (EIA) Code
(if known)

F. Contact Person: (Name)
(Phone)
(Fax No.)

G. State of Incorporation/Business Type
(State)
(Type, e.g. corporation,
general partnership)

H. Buyer is:

1. Local Distribution Company
2. Intrastate Pipeline Company
3. Interstate Pipeline Company
4. Enduser
5. Producer
6. Marketer
7. Other:

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Superseding: Original Sheet No. 208

REQUEST FOR SERVICE FORM
(Continued)

3. AFFILIATIONS

- A. Is Buyer an affiliate of Cove Point LNG? Yes No
- B. If yes, identify:
- C. Is gas to be transported/liquefied purchased from a supplier/ marketer affiliated with Cove Point LNG? Yes No
- D. If yes, identify supplier:

4. COMMENCEMENT DATE REQUESTED: / /

5. TERMINATION DATE REQUESTED: / /

6. FIRM QUANTITIES

- A. Rate Schedule LTD-1 (MDDQ): _____dth/day
- B. Rate Schedule FPS-1 (MDPQ): _____dth/day
- C. Rate Schedule FPS-2 (MDPQ): _____dth/day
- D. Rate Schedule FPS-3 (MDPQ): _____dth/day
- E. Rate Schedule FTS (MFTQ): _____dth/day

7. INTERRUPTIBLE QUANTITIES

- A. Rate Schedule LTD-2 (MDDQ): _____dth/day
- B. Rate Schedule LTD-2 (MCSQ): _____dth
- C. Rate Schedule ITS (MFTQ): _____dth/day

8. RECEIPT POINT(S)

A. For each requested Receipt Point, list the following:

- 1. Receipt Measuring Station name.
- 2. Quantity to be delivered to Seller (Dth/day).
- 3. Name of upstream entity delivering gas.

Primary Receipt Point: 1.
2.
3.

Secondary Receipt Point: 1.
2.
3.

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FERC Docket: RP00-389-000

Original Sheet No. 209 Original Sheet No. 209 : Effective

REQUEST FOR SERVICE FORM
(Continued)

9. DELIVERY POINT(S)

A. For each requested Delivery Point, list the following:

1. Delivery Measuring Station Name.
2. Quantity to be delivered by Seller (Dth/day).
3. Name of downstream entity receiving gas.

Primary Delivery Point: 1.
2.
3.

Secondary Delivery Point: 1.
2.
3.

10. REGULATORY APPROVALS

List any regulatory approvals required by Requestor to commence service:

Requestor certifies that the information contained in this Request for Service is complete and accurate to the best of Requestor's knowledge and that all regulatory approvals that are necessary for gas to be received into and delivered from Seller's facilities have been obtained or applied for by Requestor except as otherwise noted.

Requestor (Buyer):
Signed By :
Title :
Date : / /

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FERC Docket: CP01-76-003

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Superseding: Original Sheet No. 210

LNG INVENTORY TRANSFER FORM
COVE POINT LNG LIMITED PARTNERSHIP

_____, a Buyer of service from Cove Point LNG Limited Partnership (Operator) under Service Agreement No. _____ under Operator's _____ Rate Schedule (Transferor), requests, pursuant to Section 11 of the General Terms and Conditions of Operator's FERC Gas Tariff, to transfer _____ Dth to _____, a Buyer of service from Operator under Service Agreement No. _____ under Operator's Rate Schedule (Transferee). Transferee agrees to the transfer of such quantities to its account under its said Service Agreement. Receipt of this form by Operator and Operator's notice of acceptance sent to Transferor and Transferee shall constitute a binding contract between the parties.

Transferor

Transferee

By:
Name:
Title:
Date:

By:
Name:
Title:
Date:

ACCEPTED

REJECTED

Cove Point LNG Limited Partnership

Name:

Title:

Date (and Effective Date if accepted):

Effective Date: 06/14/2000 Status: Effective
FERC Docket: RP00-389-000

Original Sheet No. 211 Original Sheet No. 211 : Effective

ASSIGNMENT AGREEMENT FORM

Assignment Agreement
between Cove Point LNG Limited Partnership (Operator)
and _____ (Assignee)

This Assignment Agreement ("Agreement") made and entered into this ____ day of _____, by and between Cove Point LNG Limited Partnership ("Operator") and _____ ("Assignee").

W I T N E S S E T H:

WHEREAS, pursuant to a Release Notice complying with Section 10 of the General Terms and Conditions of Operator's FERC Gas Tariff, Original Volume No. 1 ("Tariff"), Releasor released capacity and service rights under its Service Agreement with Operator or under a prior Assignment Agreement, subject to the requirements set forth in said Section 10 and in the Release Notice; and

WHEREAS, Assignee is to be awarded all or part of such capacity and service rights in accordance with Section 10 of Operator's Tariff.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1. Assignment. Operator hereby assigns to Assignee the capacity and service rights hereinafter specified under Releasor's (____ Service Agreement No. ____; or Assignment Agreement No. ____) to the extent described in such Agreement, and attached hereto and incorporated herein by reference.

Section 2. Obligations of Assignee. Assignee shall comply with all the applicable terms and conditions of Releasor's Service Agreement/Assignment Agreement described in Section 1 above, Operator's applicable Rate Schedule and the General Terms and Conditions of Operator's Tariff, under which Assignee shall be deemed to be a "Buyer". Assignee shall, each month during the term of this Agreement, pay Operator the Reservation Charge specified in Assignee's accepted bid, including any Reservation Charge set forth as a volumetric rate. Assignee shall also pay all commodity charges, Retainage, surcharges and penalties associated with the capacity and service rights assigned under this Agreement, as set forth in Operator's currently effective Tariff, as may be adjusted from time to time upon approval of the Federal Energy Regulatory Commission ("FERC" or "Commission").

Section 3. Obligations of Operator. Operator shall provide service to Assignee and shall bill Releasor and Assignee in accordance with the assigned Service Agreement/Assignment Agreement described in Section 1 above, Operator's applicable Rate Schedule and the General Terms and Conditions of Operator's FERC Gas Tariff.

Section 4. Term. Service under this Agreement shall commence as of _____, _____, and shall continue in full force and effect until _____, _____.

Effective Date: 06/14/2000 Status: Effective
FERC Docket: RP00-389-000

Original Sheet No. 212 Original Sheet No. 212 : Effective

ASSIGNMENT AGREEMENT FORM
(Continued)

Section 5. Releasor's Recall Rights. This Agreement and assignment shall be subject to Releasor's rights to recall in accordance with the following requirements: [list all recall conditions including notice, frequency, duration, etc.]

Section 6. Notices. Notices given under this Agreement shall be provided in accordance with Section 24 of the General Terms and Conditions of Operator's Tariff as follows:

If to Operator:

If to Assignee:

Section 7. Successors and Assigns. Consistent with Section 5 of the General Terms and Conditions of Operator's Tariff, this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns; provided, however, that if this Agreement is subject to recall rights as set forth in Section 5 above, the capacity and the service rights assigned herein shall not be further assigned by Assignee.

Section 8. Miscellaneous. Other agreements between Operator and Assignee not inconsistent with Operator's Tariff, the Release Notice underlying this Assignment Agreement or other terms and conditions specified in the Release which are applicable to this Agreement, are as follows:

Section 9. Applicability. All applicable provisions of Operator's Tariff are incorporated herein and made part hereof by reference. This Agreement shall be interpreted under the laws of the State of Delaware.

ASSIGNEE

COVE POINT LNG LIMITED PARTNERSHIP

By
Title
Date

By
Title
Date

Effective Date: 06/14/2000 Status: Effective

FERC Docket: RP00-389-000

Original Sheet No. 213 Original Sheet No. 213 : Effective

INDEX OF FIRM CUSTOMERS

Customer Name	Rate Schedule	Contract Quantity	Contract Number	Contract Date (Dth/day)	Effective Date	End of Primary Term
Columbia Gas of Kentucky, Inc.	FPS-2	5,000	FPS2003	12/6/94	12/6/94	4/15/00
Columbia Gas of Ohio, Inc.	FPS-2	90,000	FPS2002	12/6/94	12/6/94	4/15/00
Commonwealth Gas. Services, Inc	FPS-1	15,000	FPS1002	12/6/94	12/6/94	4/15/00
Panda-Brandywine, L.P.	FTS	24,000	FTS0001	3/30/95	6/1/96	6/1/16
Public Service Company of North Carolina, Inc.	FPS-1	50,000	FPS1003	12/6/94	12/6/94	4/14/06
Virginia Natural Gas	FPS-1	10,000	FPS1001	12/5/94	12/5/94	4/15/05
Washington Gas Light Company	FPS-2	50,000	FPS2001	12/5/94	12/5/94	4/15/15

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 FERC Docket: RP00-389-000

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COVE POINT LNG LIMITED PARTNERSHIP
 Pipeline
 Master List of Interconnections

Receipt Points

	No. 1	No. 2
Name:	Cove Point LNG Loudoun Station	Cove Point LNG Loudoun Station
Connecting Pipeline/LDC:	Columbia Transmission	CNG Transmission
Location:	Leesburg, VA	Leesburg, VA

Delivery Points

	No. 1	No. 2	No. 3
Name:	Cove Point LNG Loudoun Station	Cove Point LNG Loudoun Station	Centreville
Connecting Pipeline/LDC:	Columbia Transmission	CNG Transmission	Washington Gas Light
Location:	Leesburg, VA	Leesburg, VA	Centreville, VA
	No. 4	No. 5	No. 6
Name:	White Plains Tap	Chalk Point	Prince Frederick
Connecting Pipeline/LDC:	Washington Gas Light	Washington Gas Light	Washington Gas Light
Location:	White Plains, MD	Benedict, MD	Prince Frederick, MD
	No. 7		
Name:	Lusby		
Connecting Pipeline/LDC:	Washington Gas Light		
Location:	Lusby, MD		

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Original Sheet No. 215 Original Sheet No. 215 : Effective

BID FOR CAPACITY RELEASE
COVE POINT LNG LIMITED PARTNERSHIP

1.a. Identity of Requestor

Legal Company Name _____

Abbreviation or short name (if applicable)

Phone Number _____

Facsimile Number _____

b. Identity of Assignee (if different than Requestor)

Written documentation must be submitted to support Requestor's legal authorization to negotiate and/or bind the Assignee contractually.

Legal Company Name _____

Abbreviation or short name (if applicable)

Phone Number _____

Facsimile Number _____

ADDRESSES FOR NEW ASSIGNMENT

MAILING

Street _____

City _____

State _____

Zip Code _____

Contact Person (Mr., Mrs., Miss, Ms.) _____

BILLING (if different than Mailing)

Street _____

City _____

State _____

Zip Code _____

Contact Person (Mr., Mrs., Miss, Ms.) _____

BID FOR CAPACITY RELEASE
(Continued)

IMBALANCES (if different than Billing)

Street _____
City _____
State _____
Zip Code _____
Contact Person (Mr., Mrs., Miss, Ms.) _____

The above customer information detail must be established initially. Once established, only changes to this detail must be resubmitted.

_____ 2. The Bidder is a (n)
(Please enter the appropriate code.)

CODE

- 1. Local Distribution Company
- 2. Interstate Pipeline Company
- 3. Intrastate Pipeline Company
- 4. End User
- 5. Producer
- 6. Marketer
- 7. Other
- 8. Pipeline Blanket Sales Operating Unit

3. a. Please answer the following
Parcel Number (if not a stand-alone bid, please reflect all related parcel numbers
below).

_____ Bid Rate (Reflect bid rate in a. or b. below. Bid rate must comport with the capacity
release offer. Choose only one option under (a) or (b) unless you want a blended rate to be considered.)

_____ a. (i) Absolute dollars and cents two-part rate
_____ (ii) Absolute dollars and cents one-part rate

_____ b. (i) Percent of maximum rate two-part rate
_____ (ii) Percent of maximum rate one-part rate

c. State Bid Offer Contingencies

4. Term of Service
Beginning Date Ending Date
 / / / /

5. Please enter the appropriate quantities:

_____ a. Transportation Demand/Quantity (Dth/d) for services under all Rate
Schedules EXCEPT FSS.

_____ b. Storage Quantity (Dth) for service under FSS.

_____ c. Maximum Daily Storage Quantity (MDSQ) for FSS (Dth/d).

