GENERAL TERMS AND CONDITIONS

3. QUALITY

The quality specifications herein shall apply to all Natural Gas delivered to Transporter by Shipper or for Shipper's account under Rate Schedule FT-1, Rate Schedule FT-2, Rate Schedule FT-3, Rate Schedule PSH and Rate Schedule IT-1.

3.1 Total Heating Value

(a) No Natural Gas delivered hereunder shall have a total heating value at the Point(s) of Receipt below 980 Btu per Cubic Foot (Btu/cf) or more than 1400 Btu/cf.

(b) The total heating value shall be determined by Natural Gas chromatographic analysis using AGA 3-1994 factors or any revision thereof, or by other method(s) mutually agreed upon by Shipper and Transporter.

(c) The average total heating value of the Natural Gas shall be determined by gas chromatographic analysis using AGA 3-1994 factors or any revision thereof or by any other method(s) of analysis mutually agreed upon by Shipper and Transporter, by adding together the total heating values so obtained during a billing period and dividing the total by the number of analyses taken during such billing period. The resultant average shall be deemed to represent the entire quantity of Natural Gas transported for Shipper or for Shipper's account during such billing period.

3.2 Specifications

All Natural Gas delivered or caused to be delivered by Shipper or for Shipper's account to Transporter shall conform to the following quality specifications.

GENERAL TERMS AND CONDITIONS

3. QUALITY con't

(a) Oxygen. The Natural Gas shall not contain more than two-tenths of one percent (0.2%) by volume of oxygen, and Shipper shall make every reasonable effort to keep the Natural Gas free of oxygen.

(b) Liquids. The Natural Gas shall contain no measured volumes of hydrocarbons in liquid form (i.e. liquids that have condensed from the Natural Gas stream) at the temperature and pressure at which the Natural Gas is delivered to Transporter and shall contain no more than 7 pounds of water per million Cubic Feet.

(c) Hydrogen Sulfide. The Natural Gas shall not contain more than 0.25 of a grain of hydrogen sulfide per one hundred Cubic Feet.

(d) Temperature. The Natural Gas shall have a temperature of not more than one hundred twenty (120) degrees Fahrenheit and not less than forty (40) degrees Fahrenheit.

(e) Sulfur. The Natural Gas shall not contain more than five (5) grains of total sulfur per one hundred Cubic Feet.

(f) Carbon Dioxide/Other Non-Hydrocarbon Gases. The Natural Gas shall not contain more than four percent (4%) of a combined total of carbon dioxide and other non-hydrocarbon gases; provided, however, that the total carbon dioxide content shall not exceed two percent (2%) by volume.

GENERAL TERMS AND CONDITIONS

3. QUALITY con't

(g) Impurities. The Natural Gas shall be free from polychlorinated biphynols (PCBs) and commercially free (at prevailing pressure and temperature in Transporter's Pipeline Facilities) from dust, gums, sand, oil or other foreign substances which may be injurious to Transporter's Pipeline Facilities or other facilities, or might interfere with its merchantability or cause injury to or interference with proper operations of Transporter's Pipeline Facilities or other pipelines, compressor stations, meters, regulations or other appliances through which it flows.

(h) Microbiological Agents. The Natural Gas shall not contain, either in the Natural Gas or in any liquids with the Natural Gas, a microbiological organism, active bacteria or bacterial agents capable of contributing to or causing corrosion and/or operational and/or other problems. Microbiological organisms, bacteria and bacterial agents include, but are not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (APB). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or the appurtenant piping using American Petroleum Institute (API) test method API-RP38 or any other test method acceptable to Transporter and Shipper which is currently available or may become available at any time.

3.3 Testing

Testing to determine sulfur, hydrogen sulfide, oxygen, carbon dioxide and nitrogen content shall be made by approved standard methods in general use in the gas industry. Such testing shall be performed by Transporter at intervals of not less than every twelve (12) Months; provided, however, that Shipper shall have the right to be present at the time of any such testing.

GENERAL TERMS AND CONDITIONS

3. QUALITY con't

3.4 Failure to Conform

If the Natural Gas tendered by Shipper or for Shipper's account to Transporter at the Point(s) of Receipt shall fail at any time to conform to any of the specifications set forth in Sections 3.1 and 3.2 or in Transporter's reasonable judgment may cause harm to its Pipeline Facilities or diminish the quality of Natural Gas in Transporter's Pipeline Facilities, then Transporter shall have the right, after either written, oral or telephonic notice to Shipper, to refuse to accept all or any portion of such quality-deficient Natural Gas. In the event Transporter refuses to accept Natural Gas tendered by Shipper or for Shipper's account because such Natural Gas does not conform to the specifications set forth herein, Shipper shall not be relieved of its obligation to pay any reservation charges under Rate Schedule FT-1, or any amounts due under Sections 8.2(e) of Rate Schedule FT-2 and Rate Schedule FT-3. If the Natural Gas tendered by Transporter to Shipper or for Shipper's account at the Point(s) of Delivery shall fail at any time to conform to any of the specifications set forth in this Section 3, then Shipper shall notify Transporter of such deficiency and may, at its option, refuse to accept delivery pending correction by Transporter.

3.5 Acceptance of Nonconforming Gas

Notwithstanding the requirements set forth in Section 3.4 above, Transporter may allow Shipper to tender for service or cause to be tendered, pursuant to an executed Service Agreement, Natural Gas that does not when injected into Transporter's Pipeline Facilities and prior to any commingling, meet the quality specifications set forth in Sections 3.1 and 3.2

GENERAL TERMS AND CONDITIONS

3. QUALITY con't

hereof; provided, however, that Transporter's acceptance of such Natural Gas shall not adversely impact Transporter's Pipeline Facilities or operations. In the event that Transporter's acceptance of such Natural Gas results in the diminution in quality, quantity or economic value of Natural Gas transported for others, the Shipper which injects or causes to be injected such Natural Gas into Transporter's Pipeline Facilities shall be liable for any damage caused thereby and such Shipper shall indemnify and hold Transporter harmless from any damage caused thereby.

3.6 Injected Condensates

Transporter shall have no obligation to accept into its Pipeline Facilities injected condensates. Provided, however, that Transporter reserves the right to accept such condensates in the future.

3.7 Commingling

Transporter shall have the unqualified right to commingle Natural Gas transported hereunder with Natural Gas from other sources and to treat and handle all such Natural Gas as its own. It is recognized that Natural Gas delivered at the Point(s) of Delivery may not be the same molecules of Natural Gas as those received at the Point(s) of Receipt. The quantities of Natural Gas delivered hereunder at the Point(s) of Delivery shall be Thermally Equivalent Quantities of the Natural Gas received at the Point(s) of Receipt. To the extent Shipper or any other Person elects not to exercise its rights, if any, to process Natural Gas for the removal of liquids and liquefiable hydrocarbons, Transporter shall have the unqualified right to process or cause to be processed such Natural Gas for the

GENERAL TERMS AND CONDITIONS

3. QUALITY con't

purpose of removing, among others, liquids and liquefiable hydrocarbons and ownership of such liquids and liquefiable hydrocarbons shall be vested in Transporter so long as Transporter redelivers Thermally Equivalent Quantities of Natural Gas to Shipper. For any period for which Shipper elects to process or cause to be processed its Natural Gas, Shipper shall process all quantities of Natural Gas shipped hereunder.

3.8 Gas Quality Posting

Transporter will provide on its Informational Postings Web Site a link to the natural gas quality provisions in Transporter's tariff as well as the daily average gas quality information for prior gas Day(s), to the extent available, for location(s) that are representative of mainline gas flow. The information available for the identified location(s) is provided in a tabular downloadable format. In any event, compliance with gas quality requirements is in accordance with this tariff.