TRANSPORTATION SERVICE
RATE SCHEDULE LVFRT

## J. LARGE VOLUME FLEXIBLE RATE TRANSPORTATION SERVICE (LVFRT)

**1. Availability**: The Company may, in its sole discretion, reduce its maximum charge for transportation service by any amount down to the minimum transportation charge for Customers who have demonstrated that they have feasible alternate energy sources (other than natural gas), a feasible alternate natural gas supplier, or would be a new Customer or retained Customer qualified as an economic development opportunity for the benefit of the Company and its core customers. Such reductions will only be permitted if, in Company's sole discretion, they are necessary to retain or expand services to an existing Customer, to re-establish service to a previous Customer or to attract new Customers and the Customer executes a written contract for Transportation Service.

The Company may reduce its maximum transportation charge on a case-by-case basis only after the Customer demonstrates to the Company's satisfaction that it meets one or more of the criteria required to receive service under the LVFRT rate.

**2. Metering**: The Company requires all LVFRT transportation customers to have installed and operating telemetry equipment and reimburse the Company for the actual cost incurred by Company to install telemetry equipment and for the actual cost of any other improvements made by Company in order to provide this service.

**3. Contract**: The Company and the Customer shall enter into a contract which specifies the services to be provided, the rates to be charged, the responsibilities of the parties and the term of the agreement. Company is authorized to charge the agreed upon rates and to provide service in accordance with the terms and conditions of the contract.

4. **Monthly Charges**:

| Description | All Systems |
|---|---:|
| Customer Charge | $400.00 |
| Delivery Charge-per Ccf- Maximum | $0.02257 |
| Delivery Charge per Ccf- Minimum | $0.00100 |
| Demand Charge-per Ccf of Billing Demand-Maximum | $0.60000 |
| Demand Charge per Ccf of Billing Demand-Minimum | $0.00000 |
| Optional Daily Balancing Service per Ccf of Daily Nominations-Option 1 | $0.01000 |
| Optional Daily Balancing Service per Ccf of Daily Nominations-Option 2 | $0.02500 |
| Daily Cash-out Charge | Sec. M |
| Monthly Cash-out Charge | Sec. M |
| Unauthorized Delivery Charge | Sec. O |
| Unauthorized Receipt Charge | Sec. O |

TRANSPORTATION SERVICE
RATE SCHEDULE LVFRT (continued)

**5. Billing Demand**: For purposes of determining the billing demand under this rate schedule, the billing months of November through March shall be considered winter months; all other billing months shall be considered summer months. The billing demand for any winter month shall be the maximum use in Ccf during any consecutive period of 24 hours in such month. The billing demand for any summer month shall be one-half of the maximum use in Ccf during any consecutive period of 24 hours in such month.

Company will normally compute the maximum use in Ccf during any consecutive period of 24 hours in any billing month as 1/20th of the number of Ccf used during such billing month, adjusted to a base monthly billing period of 30 days. For customers not consuming natural gas uniformly throughout the billing month, Company and Customer may agree to determine the maximum use in Ccf during any consecutive period of 24 hours during any billing month by use of metering when such capability is available.

The billing demand for any billing month shall not be less than the greatest billing demand for any of the preceding eleven months. If gas service was furnished during any of the preceding eleven months under any other rate schedule in effect, for the purpose of determining billing demand use under such other rate schedule shall be treated as if this Rate Schedule applied thereto.

**6. L&U Adjustment**: The Company's area-wide L&U Adjustment shall be made in kind to the amount of gas delivered to a Receipt Point prior to delivery to the Delivery Point. The Adjustment, as computed in the Company's annual PGA filing, will be applied on a volumetric basis to the quantity of natural gas delivered to Customer.

**7. PGA Charges**: Customers shall be charged the appropriate system's ACA and Refund factors as listed on Company's PGA tariff sheets. Customers electing Transportation Service shall be charged the appropriate ACA charges for a period of one-year after changing service to Transportation Service. A true-up of the ACA balance shall take place after one year of ACA charges. After true-up, these ACA charges shall terminate.

**FEDERAL TAX RATE REDUCTION**

This bill line item is temporarily being added to allow the Company to pass the benefits of service cost reductions on to customers from the federal Tax Cuts and Jobs Act of 2017 (“TCJA”)(Public Law 115-97).

The below flat rate wil be applied as a credit to all metered Ccf of energy to all Customer Bills.

LARGE VOLUME FLEXIBLE RATE TRANSPORATION SERVICE

Schedule LVFRT Tax Rate Reduction $(0.00197) per Ccf

**K. SPECIAL CONTRACTS**

1. Company may, in instances where it faces competition from alternate suppliers of natural gas, enter into special transportation rate contracts with industries or other large consumers on such terms and conditions as may be agreed upon by the parties and which, in Company's sole discretion, are deemed necessary to retain services to an existing customer or, to reestablish service to a previous customer or to acquire new customers. The rates agreed upon by Company and customer shall not exceed the maximum transportation charges nor be less than the minimum transportation charges otherwise applicable to customer. All such contracts shall be furnished to the Commission staff and the Office of Public Counsel and shall be subject to the Commission's jurisdiction.

2. Upon compliance with this tariff provision, Company is authorized to charge the rates so contracted and to otherwise provide service pursuant to the terms and conditions of the contract. The terms and conditions of any such contract shall not bind the Commission for ratemaking purposes and shall not apply to the recovery provisions contained in the Purchased Gas Adjustment Clause except as follows:

A. Pursuant to the review of contracts entered into with the following customers in Case No. GR-93-172, Company is allowed to waive Take-or-Pay and/or Transition Cost charges (as otherwise required by the PGA Clause) to the following Special Transportation Contract customers:

The City of Marshall, Missouri
Pittsburg Corning

**L. NOMINATIONS**

**1. Requirements**: Customer(s), Marketer(s) and Aggregator(s) are required to provide daily nominations to the applicable Interstate Pipeline Company. The Company will only accept confirmed Nominations from the applicable Interstate Pipeline Company. Customer(s), Marketer(s) and Aggregator(s) must nominate at least 1 MMbtu on a daily basis.

**M. BALANCING AND IMBALANCES-To Begin May 1, 2010**

**1. Balancing**: Customer(s), Marketer(s) or Aggregator(s) shall have the obligation to balance on both a daily and monthly basis, gas receipts (transportation gas delivered to Company at the Receipt Point), with thermally equivalent gas deliveries (transportation gas delivered by Company to Customer(s) at the Delivery Point(s)). The difference between Receipts and Deliveries is considered an out-of-balance condition. The customer is responsible for providing daily natural gas Receipts adjusted for L&U gas to the Company from the applicable Interstate Pipeline which accurately reflects the customer's expected consumption.

**2. Daily Charge**: This charge shall apply to those Customers using Telemetry. A daily charge shall apply to any Customer, Marketer or Aggregator’s daily quantities by which the customer’s out-of-balance condition exceeds the daily scheduling tolerance. Actual daily delivery quantities shall be used to determine the out-of-balance condition for customers with recording equipment or telemetry. Estimated daily delivery quantities shall be used to determine the out-of-balance condition for customers whenever such Telemetry equipment malfunctions. Estimated daily delivery quantities shall be determined based on available data including nominated quantities, meter readings, customer load characteristics, actual weather conditions, and any other information. This daily charge is accumulated and assessed monthly. This charge is in addition to the monthly cash out charge for Monthly Imbalances. This Daily Charge shall be determined on an Mcf basis as follows:

A. 10% daily tolerance, unless tolerance band is expanded to 35% or 60% using optional balancing services, without charges,

B. Daily Imbalance calculated on an absolute basis without regard to netting positive or negative imbalances,

C. Summation of daily volumes calculated on an absolute basis at the end of the month, and

D. The sum of the total monthly daily imbalance will be charged $1.25 per Mcf.

**3. Monthly Cash-out Charges**: The difference between monthly confirmed Nomination volumes and actual consumption, including L&U will be charged to and/or credited to the Customer (cashed out) using the indices shown below, plus pipeline fuel, pipeline capacity and commodity charges.

| Imbalance Level | Receipts > Deliveries Due Customer | Deliveries > Receipts Due Company |
|---|---|---|
| Up to 5% | Spot x 100% | Spot x 100% |
| 5% to 10% | Spot x 85% | Spot x 115% |
| 10% but less than 15% | Spot x 70% | Spot x 130% |
| 15% but less than 20% | Spot x 60% | Spot x 140% |
| 20% or higher | Spot x 50% | Spot x 150% |

The “spot” market prices on each of the pipelines shall be determined using the Natural Gas Week posting for Southern Star on the South, Panhandle Eastern on the North and ANR on the Northwest. When Receipts exceed Deliveries, the lowest posting in Natural Gas Week for the applicable month shall be used as the “spot” price. When Deliveries exceed Receipts, the highest posting in Natural Gas Week for the applicable month shall be used as the “spot” price.

**4. Imbalance Information**: Imbalance information will be posted on the Company’s Transportation Customer website. Daily nomination and btu information will be acquired by the Company from the applicable Interstate Pipelines’ bulletin board(s) and subsequently posted on the Company’s Transportation Customer website. The Company is not responsible for mistakes and misinformation provided by the Interstate Pipeline(s) and posted on the Company Transportation Customer website. The Company will modify the transportation information as it receives such information from the applicable Interstate Transportation Pipeline. The Company is not required to deliver volumes of gas in excess of receipts.

**N. BILLING:**

**1. Order of Deliveries**: The order of gas delivery for purposes of billing calculations will be to:
A. Use Customer-owned gas, including correction of any imbalance conditions and,
B. Then use Company's gas based on applicable cash out provisions.
C. The Company will not allow netting of bills.

**2. Billing Adjustments**: The Company will not provide new bills for any billing adjustments, but will make any necessary billing adjustments on subsequent bills.

**3. Credit Balances**: The Company will not refund credit balances caused by positive imbalance charges.

**4. Delinquent Payment Penalty**: A late payment charge in an amount equal to one-half percent (.5%) of the delinquent amount will be added to the bill if payment is not received on or before the net due date stated on the bill. The net due date shall be the twenty-first (21st) day after the date of billing.

**O. OPERATIONAL FLOW ORDERS (OFO)**

**1. Issuance**: Company will have the right to issue an Operational Flow Order that will require actions by the Customer to alleviate conditions that, in the sole judgment of the Company, jeopardize the operational integrity of Company's system required to maintain system reliability. Customer shall be responsible for complying with the directives set forth in the OFO. Any OFO, along with associated conditions and penalties, shall be limited, as practicable to address only the problem(s) giving rise to the need for the OFO.

Company may call an OFO by pipeline, delivery zone or town border station when:

- Company experiences failure of transmission, distribution or gas storage facilities;
- When transmission system pressures or other unusual conditions jeopardize the operation of Company's system;
- When Company's transportation, storage and supply resources are being used at or near their maximum rate deliverability;
- When any of Company's transporters or suppliers call the equivalent of an OFO or Critical Day;
- When Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of Company's system.

**2. Customer Compliance**: Upon issuance of an OFO, the Company will direct customer to comply with one of the following conditions:

**A. Unauthorized Deliveries**: Customer, Aggregator or Marketer must take delivery of an amount of natural gas from the Company that is no more than the hourly or daily amount being received by the Company from the applicable Interstate Pipeline for the Customer's, Aggregator's or Marketer's account. All volumes delivered to the Customer, Aggregator or Marketer in excess of volumes received by the Company from the applicable Interstate Pipeline for the Customer's, Aggregator's or Marketer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an Unauthorized Overrun by Customer, Aggregator or Marketer on the Company's system. Customer, Aggregator or Marketer shall be charged a penalty of $25.00 per Mcf, plus the Gas Daily Index price for the applicable Interstate Pipeline for such Unauthorized Overruns during the duration of the OFO.

**B. Unauthorized Receipts**: Customer, Aggregator or Marketer must take delivery of an amount of natural gas from the Company that is no less than the hourly or daily amount being received by the Company from the Connecting Pipeline Company for the Customer's account. All volumes delivered to the Customer, Aggregator or Marketer which are less than volumes received by the Company from the applicable Interstate Pipeline for the Customer's, Aggregator's or Marketer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an Unauthorized Delivery by Customer to Company. Customer shall be charged a penalty of $25.00 per Mcf for such Unauthorized Deliveries to Company's system.

**C. Other**: Any penalties charged due to unauthorized overruns or deliveries during an OFO will be in addition to any cash out charges described in Subsection L above.

**D. Interstate Pipeline Overrun Penalties**: The Company may charge the Customer, Aggregator or Marketer for any daily or monthly overrun penalties assessed to the Company, which are applicable to the Customer, Aggregator or Marketer by the applicable Interstate Pipeline.

**E. Operational Flow Order Penalty**: Aggregators and Marketers who fail to deliver to Company for the account of Customer (s) specified operational flow ordered quantities of gas shall be billed appropriate "Unauthorized Delivery" charges. Aggregators or Marketers who repeatedly fail to deliver to Company specified operational flow order quantities of gas will not be permitted to continue transportation service.

**P. MEASUREMENT:**

1. All transport gas shall be measured on a volumetric basis. Measurement shall be based on available information regarding volumes received and delivered, pressure and temperature conditions, and energy content of the gas stream. Company shall determine the measurement equipment required to determine the Receipts and Deliveries of end-user owned gas transported hereunder.

**Q. RECORDING AND TELEMETRY EQUIPMENT:**

1. The Company shall notify Customer if existing equipment is not sufficient to measure service under the applicable rate schedule. Company shall not be unreasonable in such determination. If existing equipment is found to be insufficient, the Company may install such equipment as it deems necessary.

2. The Company shall be allowed access for maintaining and operating such equipment. The Customer shall be responsible for the costs associated with the Company acquiring and installing recording and/or telemetry equipment at the delivery point. When telemetry equipment is installed, the Customer will be required to provide telephone or other interfaces agreed to by the Company along with electrical connections available at the meter location.

3. If recording and/or telemetry equipment is deemed necessary, but the Customer is unwilling or unable to pay for the cost of such equipment, then the Customer may return to sales service, provided all other requirements of paragraph D 12 have been met. All Small Volume transportation customers must have the Company install telemetry equipment or purchase the Balancing Service. Customers must reimburse the Company for the actual cost incurred by Company to install telemetry equipment and for the actual cost of any other improvements made by Company in order to provide this transportation service. The customer shall also provide telephonic access and service to this telemetry equipment. The telemetry equipment and any other improvements made by the Company shall remain the property of the Company, and will be maintained by the Company. All funds contributed by Customer shall be used by Company as an offset to the cost of the telemetry investment.

4. The Company will offer financing for a Customer for telemetry equipment for periods up to 90 days interest free. The Company will offer financing with interest at a rate of prime plus 1% to a Customer to pay for the installation of telemetry equipment for a period of more than 90 days, but not more than 12 consecutive months. The telemetry equipment and any other improvements made by the Company shall remain the property of the Company, and will be maintained by the Company.

**R. OTHER MISCELLANEOUS SERVICES**

1. The following mandatory and optional services are available to Customers, who may choose the services that best serve their needs. Aggregators shall designate in writing on a form to be provided by Company which, if any, of the following services they desire. All charges for miscellaneous services are in addition to the monthly charges in the Company's transportation rate schedule.

**A.** **SVFT Balancing Service**: This service is mandatory for Customers under the SVTS rate schedules that do not have Telemetry installed. The cost of the service is $0.015 per Ccf transported on Company's system. Revenues collected from the provision of this service will be credited to the overall general system gas cost through Company' PGA mechanism. The monthly charge for this service is in addition to the monthly charges set forth in Company's transportation service rate schedules.

**B.** **Optional Balancing Service**: Company shall offer two optional levels of daily balancing service to its transportation customers or Marketers that have Telemetry installed. The option selected by the Customer shall be in effect for every day once selected by the Customer and shall remain in effect until Customer selects a different daily balancing service. Customers must make their election to take the optional balancing services by October 1 of each year for the immediately following period November through March (winter). Customers must make their election of services by March 1 of each year for the immediately following period April through October (summer). In the event that a Customer fails to make an election for the above optional balancing service, the Customer will be assigned the previously elected balancing service option. Notice of the election period shall be posted on Company's Telemetry Transportation website thirty (30) days prior to the election dates (October 1 and March 1). Once Customer selects an Optional Balancing Service, the selection cannot be changed until the next specified election date (March 1 or October 1). The Optional Balancing Services described herein shall not be available during periods that a Customer is subject to an OFO, and Customers subject to an OFO will not be charged for the Optional Balancing Service during such OFO periods. During the transition period April 1, 2010 to October 1 2010, the March 1st selection deadline for the summer season shall be waived and transportation customers qualifying for Optional Balancing Service shall be allowed to select one of the optional services at the beginning of any billing month. The Optional Balancing Service selected by the Customer shall remain in effect until Customer selects a different daily balancing service at the next specified election date.
The Optional Balancing Service options are:

**a.** This service enables a Customer or Marketer with Telemetry installed to expand its Daily Imbalance tolerance level from ten (10) percent to thirty-five (35) percent. The cost of the service to the Customer selecting this option is $0.10 per Mcf ($0.01 per Ccf) of daily gas nominated on the system. Revenues collected from the provision of this service will be credited to the overall general system gas cost through Company' PGA mechanism. The monthly charge for this service is in addition to the monthly charges set forth in Company's transportation service rate schedules.

**b.** This service enables a Customer or Marketer with Telemetry installed to expand its Daily Imbalance tolerance level from ten (10) percent to sixty (60) percent. The cost of the service to the Customer selecting this option is $0.25 per Mcf ($0.025 per Ccf) of daily gas nominated on the system. Revenues collected from the provision of this service will be credited to the overall general system gas cost through Company' PGA mechanism. The monthly charge for this service is in addition to the monthly charges set forth in Company's transportation service rate schedules.

TRANSPORTATION SERVICE
NATURAL GAS

**C. Aggregation Pooling Service**: A Customer, Marketer or Aggregator may combine a group of LVTS Customers situated behind multiple town border stations (TBS) and served by a common Interstate Pipeline with the same balancing provisions, the same transportation rate schedule and the same Interstate Pipeline operational zone. If a Marketer purchases this Aggregation Service, the Aggregated Group will be considered as one Customer for purposes of calculating the daily balancing charge and monthly imbalances, i.e., individual Customer nominations and consumption will be summed and treated as if they were one Customer. This does not include aggregation of fixed costs or customer charges. The cost of this aggregation service is $0.004 per Ccf of gas delivered to the aggregated group. Revenues received from this service shall be credited to the Company's PGA mechanism. During OFO days, nominating and balancing will be required by the affected receipt and delivery points.