

RATE SCHEDULE PAL2
PARKING AND LOANING SERVICE

1. AVAILABILITY

Transporter will provide Parking and Loaning Service under this Rate Schedule PAL2 to any firm or interruptible transportation Shipper on Transporter's system provided:

- (a) Transporter has the capability to provide the service.
- (b) Shipper and Transporter have executed a Parking and Loaning Service Agreement for service under Rate Schedule PAL2.
- (c) Shipper has complied with all creditworthiness requirements set forth in § 8 of the General Terms and Conditions of Part 1 of this Tariff and has qualified to receive service under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

The Parking and Loaning Service provided under this Rate Schedule:

- (a) Shall apply to gas that is transported under a firm or interruptible Transportation Service Agreement and scheduled to Parking or Loaning under this Rate Schedule.
- (b) Shall be interruptible with the lowest priority of any service offered by Transporter.
- (c) Shall be provided only after all other transportation and storage service, including imbalance gas and Transporter's system requirements, are scheduled.
- (d) Shall, for parking service, consist of Transporter (i) accepting delivery of scheduled receipts into Shipper's parking account; (ii) holding the scheduled quantity of parked gas in its system under a parking account and (iii) making parked gas quantities available for a scheduled delivery off of Transporter's system, subject to the provisions of § 3(e) and (f) of this Rate Schedule.
- (e) Shall, for loaning service, consist of Transporter (i) making loaned gas quantities available for a scheduled delivery off of Transporter's system and (ii) accepting delivery of scheduled receipts as a return of previously loaned gas, subject to the conditions of §§ 3(e) and (f) of this Rate Schedule.

3. CONDITIONS OF SERVICE

The Parking and Loaning Service provided under this Rate Schedule shall be subject to the following conditions:

- (a) Service under this Rate Schedule shall be offered for a minimum of one day and a maximum of the number of days specified in the Parking and Loaning Service Agreement, subject to the conditions of §§ 3(e) and (f) of this Rate Schedule.

- (b) All Receipt and Delivery Points on Transporter's system are available for Parking and Loaning Service, subject to available transportation and storage capacity.
- (c) Transporter shall establish and maintain a parking and loaning account for each Shipper that has executed a Service Agreement for service under this Rate Schedule. Parked gas quantities shall be credited to Shipper's parking account and loaned gas quantities shall be debited to Shipper's loan account.
- (d) If, due to any cause whatsoever, Transporter cannot satisfy all nominations for service under this Rate Schedule, Transporter shall schedule nominated quantities by rate paid, from highest to lowest. Where two or more Shippers are paying the same rate, Transporter shall schedule nominated quantities *pro rata* up to the level requested. This procedure will continue until (1) all the requests are filled or (2) all available capacity is utilized.
- (e)
 - (i) If needed to protect the operational integrity of Transporter's system, Shipper may be required, within 72 hours (three nomination days) of notice by Transporter, to nominate delivery of all, or any portion of, quantities of gas parked on Transporter's system or to nominate receipt of all, or any portion of, loaned gas quantities at any non-constrained Delivery or Receipt Point, respectively. This § 3(e)(i) may be enforced to the extent it impairs Transporter's ability to provide service to another customer or threatens or impairs Transporter's system integrity.
 - (ii) Any parked gas quantity not scheduled to be removed within three nomination days of Transporter's notice shall be retained by Transporter and cashed out at the Tier 2 index gas price as provided in § 12.6 of the General Terms and Conditions of Part 1 of this tariff.
 - (iii) Shipper shall reimburse Transporter at the Tier 2 index gas price as provided in § 12.6 of the General Terms and Conditions of Part 1 of this Tariff for any loaned gas quantities not scheduled to be returned within the three-day nomination period.
 - (iv) Transporter will refund any excess revenues pursuant to § 12.7 of the General Terms and Conditions of Part 1 of this Tariff.
- (f)
 - (i) Shipper may be required, upon notification from Transporter for reasons other than operational (see (iii) below), to cease or reduce deliveries to or receipts from its parking account within the Gas Day, as rapidly as is consistent with Transporter's operating capabilities. If delivery capacity is available on Transporter's system and Shipper fails to arrange to take deliveries of parked gas quantities as required by Transporter within 30 days of Transporter's notice, that portion of Shipper's parking account, of which Shipper did not take delivery shall be retained by Transporter and cashed out at the Tier 1 index gas price set forth in § 12.6 of the General Terms and Conditions of Part 1 of this Tariff.
 - (ii) Shipper may be required, upon notification from Transporter for reasons other than operational (see (iii) below), to schedule, within the Gas Day and as

rapidly as is consistent with Transporter's operating capabilities, the return of all gas quantities loaned under this Rate Schedule. If receipt capacity is available on Transporter's system and Shipper fails to arrange to return loaned quantities of gas as required by Transporter within 30 days of Transporter's notice, Shipper shall reimburse Transporter at the Tier 1 index gas price set forth in § 12.6 of the General Terms and Conditions of Part 1 of this Tariff. However, if Transporter has loaned gas to a Shipper and the Shipper becomes uncreditworthy, Transporter may, at its option, require the return of the gas within five days or require the Shipper to be subject to the cashout provisions of § 12.6 of the General Terms and Conditions of this Tariff.

- (iii) When referring to § 3(f)(i) and (ii) above, reasons other than operational include: (1) termination of a Rate Schedule PAL2 service agreement, (2) Shipper no longer satisfies the creditworthiness requirements of § 8 of the General Terms and Conditions of Part 1 of this Tariff, and (3) the capacity utilized to provide service under Rate Schedule PAL2 is required to provide firm service or service to another Shipper at a higher rate.
- (iv) Transporter will refund any excess revenues pursuant to § 12.7 of the General Terms and Conditions of Part 1 of this Tariff.
- (g) Gas quantities may be nominated for delivery between a Shipper's parking or loaning account and its transportation imbalance for purposes of reducing or eliminating Shipper's imbalance. Nominations from the Shipper's parking or loaning account may not increase Shipper's transportation imbalance.
- (h) A Shipper may transfer quantities of gas among its PAL2 accounts that have been either parked on the system or loaned to the Shipper by Transporter. A Shipper making a transfer must provide Transporter with immediate written, facsimile or notice via MyQuorum of the transfer. The notice must include the account to which a Shipper's gas was transferred, the date of the transfer and the amount transferred. Transfers will not be valid until Transporter has verified receipt of notification of the transfer.

4. RATE PROVISIONS

4.1. Specified Charges. The charges for parking and loaning service under this Rate Schedule, except as provided for in § 4.4 of this Rate Schedule, shall be listed in the currently effective Statement of Rates, as adjusted from time to time. The charges shall include the following:

- (a) Parking and Loaning Initiation Charge. Shipper shall pay the appropriate initiation charge on each decatherm delivered to a park or loan account. The parking and loaning initiation charge shall constitute Shipper's charge for the first day of service.
- (b) Parking and Loaning Daily Inventory Charge. For each day following the first day of a park or loan, Shipper shall pay the appropriate daily inventory charge for the daily balance of all gas actually loaned to a Shipper or parked on Transporter's

system. The daily parking and loaning inventory charge, which shall be posted on MyQuorum and stated in the Parking and Loaning Service Agreement, shall be no more than the maximum nor less than the minimum rate specified in the Statement of Rates.

(c) Other Charges. Transporter shall charge Shipper for any other FERC-approved charges that may apply to service under this Rate Schedule. However, FGRP and ACA charges are not applicable to the parking and loaning service.

(d) Monthly Billing. The monthly charge for service under this Rate Schedule shall be the sum of: (1) the product of the quantities delivered to a Shipper's park or loan account and the parking and loaning initiation rate, and (2) the product of the daily park or loan account balances and the parking and loaning daily inventory rate set forth in Shipper's parking and loaning service agreement.

4.2. Rate Changes. Transporter may file with the FERC to change the rates listed on the Statement of Rates applicable to service under this Rate Schedule. Transporter shall begin charging the changed rates for the service provided to Shipper under this Rate Schedule on the day the new rates become effective, subject to any refunds, surcharges or other conditions that are permitted or required by the FERC and subject to the terms of the Parking and Loaning Service Agreement. Nothing in this section limits Shipper's rights to contest the changes, nor limits the rights of Shipper and Transporter to provide for changes in rates through the terms of the Parking and Loaning Service Agreement.

4.3. Flexible Rates. Nothing in this Tariff limits Transporter's right to implement different rates and charges in individual park and loan agreements under this Rate Schedule within the ranges shown on the Statement of Rates. Transporter is not required to tender a service agreement or provide parking and loaning service when service has been requested at a discounted rate.

4.4. Negotiated Rates. Notwithstanding anything to the contrary contained in this Tariff, Transporter and Shipper may, as provided in § 27 of the General Terms and Conditions, negotiate a rate for service under this Rate Schedule. Transporter's rates, as shown on its Statement of Rates, are available as recourse rates for any Shipper that does not desire to negotiate a rate with Transporter. An agreement by the Shipper to accept a Negotiated Rate does not, in any manner, restrict the Shipper's right to elect recourse rates for other services not covered by the negotiated-rate agreement. This provision, in and of itself, does not allow Transporter and Shipper to negotiate terms and conditions of service.

5. REGULATORY FEES

Shipper shall reimburse Transporter for all fees required by the FERC or any other regulatory agency to implement the service provided under this Rate Schedule. Transporter will issue a statement to Shipper, setting forth the fees paid by Transporter to implement the Parking and Loaning Service. The amount to be reimbursed shall be paid by Shipper with the next payment for service following receipt of Transporter's statement.

6. RECEIPT AND DELIVERY

All Receipt and Delivery Points on Transporter's transmission system are available for use for parking and loaning. When a Shipper initiates and completes a park or loan transaction at different Receipt and Delivery Point locations, the associated transportation will be billed as two separate transportation transactions.

7. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions included in Part 1 of this Tariff apply to service provided under this Rate Schedule and are incorporated by reference.

5.6 Requests for Amendments to Firm Service Agreements.

- (a) A Shipper, via MyQuorum, may submit a Request to amend its service agreement.
- (b) Amendment Requests may be made on a first-come/first-served basis pursuant to § 5.3, via Bid Process pursuant to § 5.4, or through prearrangement pursuant to § 5.5, and may be for temporary or permanent amendments.
- (c) Temporary amendment Requests:
 - (i) Temporary amendments are for a period of one month or less, for the current month except as provided for in § 5.6(c)(iv), and allow a Shipper to move its primary firm capacity to other MAP points for the period specified in the temporary amendment. When the temporary amendment expires, the firm capacity returns to the previous MAP point.
 - (ii) Temporary amendment Requests may be submitted on any day of the month and for the current month only, except as provided below in § 5.6(c)(iv).
 - (iii) Temporary amendment Requests for the next Gas Day must be submitted no later than 11:00 a.m. the day timely nominations are due.
 - (iv) Temporary amendment Requests for the following month which have an effective date of the first day of that month can be submitted after 12:00 p.m. on the 4th Business day prior to the end of the current month, unless otherwise stated in an applicable notice or posting.
 - (v) Transporter will evaluate temporary amendment Requests in a timely manner except as limited by §§ 28 and 31 of these General Terms and Conditions.
- (d) Permanent amendment Requests:
 - (i) The effective date of a permanent amendment under this section may be no sooner than the first day of the month following the date of the Request and must be through the remaining term of the service agreement.
 - (ii) Permanent amendment Requests received outside a Bid Period may be treated as a request for prearranged service pursuant to § 5.5.
 - (iii) Permanent amendment Requests received during any Bid Period may be evaluated pursuant to § 5.4(f).

5.7 Requests for Service Under Rate Schedule NNT and FP.

- (a) A Shipper desiring NNT or FP service must make a written Request to Transporter's Marketing and Contracting Services group. The Request should be emailed to customerservice@mwpipe.com.
- (b) A Request for NNT service must provide the following information:
 - (i) The name, business address and phone number of the Shipper requesting service and the party with whom all contact should be made.
 - (ii) The initial term of the service, including beginning and ending dates, and renewal term.
 - (iii) The level of service requested in DTH/day.
 - (iv) The rate that Shipper proposes to pay for the service.

Maximum Rate	Other
_____	_____
 - (v) The contract numbers and dates of the Rate Schedule T-1 service agreements under which the NNT supply will be transported.
 - (vi) The contract numbers and dates of the Rate Schedule FSS and/or PKS SSA(s) to be associated with the requested NNT service.
- (c) A Request for FP service must include the following information:
 - (i) The name, business address and phone number of the Shipper requesting service and the party with whom all contact should be made.
 - (ii) The initial term of the service, including beginning and ending dates, and renewal term.
 - (iii) The seasonal period of the service, if any, including beginning and ending dates.
 - (iv) Transporter identification number of the Rate Schedule T-1 transportation service agreement with which the proposed FP service addendum will be associated.
 - (v) Peaking Period.
 - (vi) The requested primary delivery points where the FP service will be provided.
 - (vii) Maximum Peak Flow Rate.
 - (viii) Average Peaking Period Flow Rate.

- (ix) Proposed Required Receipt Point(s) and, for each point, proposed Required Scheduled Quantity and Required Receipt Flow Rate, and
- (x) The rate that Shipper proposes to pay for the service.

Maximum Rate

Discounted or Negotiated Rate

6.17 Notice of Offers to Release or Purchase Released Capacity. A Shipper desiring to release or acquire released capacity may submit a notice to Transporter's Contract Services Department via e-mail, at customerservice@mwpipeline.com, and include in the subject line, "Notice of Offers to Release or Purchase Capacity by [Shipper Name]." Transporter will then post the notice as a non-critical notice on the Informational Postings section of its web site for the period of time requested by the Shipper, but not to exceed 90 days. The Shipper shall provide all criteria that it deems appropriate, but will include the following:

- (a) Shipper's name and person to contact for additional information.
- (b) Whether the Shipper is offering to release capacity or requesting to purchase released capacity.
- (c) The desired beginning and ending dates.
- (d) Primary Receipt and Delivery Points.
- (e) The desired RDC in DTH/day if transportation capacity is requested.
- (f) The desired level of NNT service in DTH/day if NNT service is requested.
- (g) The desired capacity in DTH if storage capacity is requested.

23.2 Complaint Procedure. If a party has a concern relating to any request for service or any ongoing service, the party may request a Shipper Inquiry Form, an example of which appears in Part 5 of this Tariff. The party shall complete the inquiry form and return it to:

Shelley Wright Kendrick
Vice President, Commercial & Marketing MountainWest Pipeline, LLC 333 South State Street
Salt Lake City, UT 84111
FAX: (801) 324-5606
E-Mail: shelley.kendrick@mwpipeline.com

Transporter shall respond initially within 48 hours of receipt of Shipper's inquiry. Each inquiry will be noted on the service request log. Each inquiry shall be investigated, and Transporter shall inform the party in writing within 30 days of receipt of the party's inquiry of any action taken. Transporter shall maintain a separate file for all Shipper inquiries and Transporter's responses.