

April 20, 2017

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: Enable Oklahoma Intrastate Transmission LLC,
Revised Statement of Operating Conditions,
Docket No. PR17-40-000**

Dear Ms. Bose:

Pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 (“NGPA”) and Section 284.123(g)¹ of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”), Enable Oklahoma Intrastate Transmission, LLC (“EOIT”) hereby submits for filing a revised Statement of Operating Conditions Applicable to Transportation Services (“SOC”). EOIT intends to implement the proposed SOC revisions effective May 22, 2017.

In the instant filing, EOIT proposes to amend Section 8.1 of EOIT’s SOC to revise the deadline for first of the month nominations for transportation service. Specifically, EOIT’s SOC currently requires first of the month nominations to be submitted on or before 1:00 p.m. Central Clock Time on the second working day prior to the beginning of the month in which the nominations are to be effective. To accommodate requests from customers for an earlier deadline, EOIT has revised the deadline for the submission of first-of-the-month nominations to 11:00 a.m. Central Clock Time on the second working day prior to the beginning of the month in which the nominations are to be effective. This change will provide more time for EOIT to inform shippers of confirmed nominations prior to the start of the month, thereby allowing those shippers not allocated capacity additional time to make alternative arrangements for their gas transportation needs. EOIT is not proposing to change the 1:00 p.m. Central Clock Time deadline for all nominations received after the deadline for first of the month nominations.

EOIT also proposes to revise Section 7.9 of EOIT’s SOC to clarify the circumstances under which EOIT would assess a facilities charge. EOIT is proposing to clarify that a customer will be assessed a facilities charge to recover the costs of new or expanded facilities, lease payments or third party service agreement payments that are incurred by EOIT in order to perform transportation service requested by a shipper agreeing in advance to pay such costs.

¹ 18 C.F.R. § 284.123(g) (2016).

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Page 2 of 2


In addition, EOIT has made some housekeeping changes to correct the page numbers contained in the Table of Contents to the SOC and the General Terms and Conditions for Statement of Operating Conditions.

EOIT's revised SOC filing consists of the following items:

1. this transmittal letter;
2. a revised SOC reflecting the proposed changes to the SOC; and
3. a redlined version of the revised SOC.

Please contact the undersigned at (346) 701-2539 should you have any questions or require any additional information regarding this filing. Thank you for your attention to this matter.

Respectfully submitted,



Lisa Yoho
Sr. Director, Regulatory & FERC
Compliance

Attachments

MARKED SOC

**STATEMENT OF
OPERATING CONDITIONS
APPLICABLE TO TRANSPORTATION SERVICES**

of

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC

(filed in compliance with 18 C.F.R. Part 284)

~~February 14~~April 20, 2017

eTariff Information:

Tariff Subscriber: **Enable Oklahoma Intrastate Transmission, LLC**

FERC Tariff Program Name: FERC NGPA Gas Tariff

Tariff Title: Transportation SOC databse

Tariff Record Proposed Effective Date: ~~April 1~~May 22, 2017

Tariff Record Title: Tariff, Enable Transportation Statement of Operating Conditions

Option Code: A

Other Information: Revised SOC

**STATEMENT OF
OPERATING CONDITIONS OF
ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC
IN COMPLIANCE WITH 18 C.F.R. PART 284**

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC (hereinafter “Enable” or “Transporter”), an intrastate pipeline operating within the State of Oklahoma, will engage in the transportation of natural gas pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 and pursuant to applicable regulations of the Federal Energy Regulatory Commission on the following terms and conditions:

TABLE OF CONTENTS

1.	DEFINITIONS.....	1
2.	AVAILABILITY OF SERVICE	34
3.	APPLICABILITY AND CHARACTER OF SERVICE	45
4.	CURTAILMENT AND PRIORITY OF SERVICE	68
5.	VALID REQUESTS FOR SERVICE	79
6.	TERM	1011
7.	RATES AND CHARGES	1012
8.	NOMINATIONS, IMBALANCES AND SYSTEM OPERATIONS ORDERS	1214
9.	OPERATING CONDITIONS	1820
10.	DETERMINATION OF RECEIPTS AND DELIVERIES	1921
11.	MISCELLANEOUS	2022

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE

1. DEFINITIONS

In addition to the definitions of terms contained in the attached General Terms (“General Terms and Conditions”), and except where the context expressly states another meaning, the following terms, when used herein, shall have the following meanings:

- A.** “Applicable Regulations” shall mean those regulations promulgated by FERC pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 (“Section 311”), or other authority, including regulations at 18 C.F.R. Part 284, applicable to transportation under Section 311, as such regulations may be amended from time to time.
- B.** “Central Clock Time” shall mean Central Standard Time or Central Daylight Savings Time, as applicable in Oklahoma.
- C.** “Contract” or “Shipper’s Contract” shall mean a service agreement for the transportation of Natural Gas between Transporter and Shipper, as such agreement may be amended from time to time.
- D.** “Daily Imbalance” shall mean the daily volumetric variance between net receipts and allocated deliveries, adjusted for System Fuel.
- E.** “Daily Index Penalty Percentage” shall mean the percentage obtained by referencing the Daily Imbalance percentage in the table included in Section 8.
- F.** “East Daily Index Price” shall mean the arithmetic average of the applicable midpoint prices quoted for deliveries to Transporter in the Daily Price Surveys published by Gas Daily for the applicable Day of Gas flow and for (1) NGPL, Texok zone and (2) Enable Gas Transmission, East. Should one or both of such surveys no longer be published, Transporter will determine an acceptable substitute source or sources for such Daily Price Survey(s), as closely comparable as possible to that previously used. Transporter will post such new source(s) on Transporter’s Internet Web Site.

- G.** “East Zone” shall include all Transporter’s facilities on or directly interconnected with (1) Transporter’s Line 111 located East and/or downstream of Transporter’s Sasakwa compressor station located in Section 1, 5N-6E in Seminole County, Oklahoma, (2) Transporter’s Line 114 located East and/or downstream of Prague Junction in Section 36, T13N-R5E, Lincoln County, Oklahoma (3) Transporter’s Lines 7 and 18, located East and/or downstream of Transporter’s Noble interconnect with Williams Natural Gas located in Section 10, T21N-R2W, Noble County, Oklahoma, 4) Transporter’s Line 1 located East and/or downstream of Transporter’s Pink Compressor Station in Section 8, T9N-R2E, Pottawatomie County, Oklahoma and (5) Transporter’s Line 22 located East and/or downstream of Transporter’s Comanche Tie Compressor Station located in Section 23, T4N-R6W, Grady County, Oklahoma.
- H.** “FERC” shall mean the Federal Energy Regulatory Commission or any successor agency or governmental authority having jurisdiction under Section 311.
- I.** “Point(s) of Delivery” shall mean the point(s) at which Transporter delivers Gas on Shipper’s behalf.
- J.** “Point(s) of Receipt” shall mean the point(s) at which Shipper delivers Gas to the Transporter for transport to a Point of Delivery.
- K.** “Shipper” shall mean any person or entity who has requested Transporter to transport Natural Gas on behalf of an eligible person or entity and any person who has entered into a valid Contract with Transporter for the transportation of Natural Gas.
- L.** “SOC” shall mean this Statement of Operating Conditions Applicable to Transportation Services together with the attached General Terms and Conditions, which are fully incorporated by reference herein.
- M.** “Sole Discretion” shall mean Enable’s sole discretion exercised in a reasonable and non-discriminatory manner.

- N.** “System Fuel” shall mean mainline compression fuel plus lost and unaccounted for Gas on Transporter’s System. Such System Fuel will be calculated pursuant to the Fuel Tracker set forth in Exhibit A hereto.
- O.** “Transporter” shall mean Enable, an intrastate pipeline company operating within the State of Oklahoma which provides transportation service pursuant to the Applicable Regulations.
- P.** “Transporter’s System” shall mean the pipeline facilities, including appurtenant facilities, owned, leased, or operated by Transporter within the State of Oklahoma.
- Q.** “West Daily Index Price” shall mean the arithmetic average of the applicable midpoint prices quoted for deliveries to Transporter in the Daily Price Surveys published by Gas Daily for the applicable Day of Gas flow and for (1) ANR, Okla. and (2) Panhandle, Tx.-Okla. Should one or both of such surveys be no longer published, Transporter will determine an acceptable substitute source or sources for such Daily Price Survey(s), as closely comparable as possible to that previously used. Transporter will post such new source(s) on Transporter’s Internet Web Site.
- R.** “West Zone” shall include all portions of the Transporter’s System that have not been designated as the East Zone.

2. AVAILABILITY OF SERVICE

2.1 Transportation service by Transporter is available for any Shipper to the extent that:

- (1) Capacity is available on Transporter’s System;
- (2) Shipper (a) makes a valid request for service, including documentation to demonstrate its creditworthiness to the satisfaction of Transporter in accordance with the provisions of Section 5.G, and (b) executes a Contract with Transporter applicable to service; and

- (3) Said service complies with the terms and conditions of this Statement of Operating Conditions.

2.2 For the purpose of determining the availability of service in processing requests received pursuant to Section 5, Transporter shall not be required to grant any requests for transportation service:

- (1) Which could, in Transporter's Sole Discretion, impair Transporter's Firm or Interruptible Service arrangements, jeopardize the integrity of Transporter's System, interfere with the efficient operation of its system or be detrimental to Transporter's compression, storage or other operations;
- (2) Which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, Transporter may agree, in its Sole Discretion, to construct, modify, expand, or acquire facilities to enable it to perform such service;
- (3) If Transporter determines in accordance with Section 9 (Creditworthiness) of the General Terms and Conditions that Shipper is not creditworthy; or
- (4) If Shipper's Contract has expired and no replacement or rollover agreement has been executed.

2.3 Nothing within this Section 2 is intended to control the interruption or curtailment of service once a request for service has been granted pursuant to Section 5 and while a Contract is in effect.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 Section 311 transportation service provided under this Statement of Operating Conditions shall be performed under Subpart C of Part 284 of the Applicable Regulations ("Subpart C"). This Statement of Operating Conditions and any Contract covering the transportation of Natural Gas thereunder shall be subject to the provisions of Subpart C.

3.2 **Firm Transportation Service.** Transporter may contract for and provide firm transportation for either intrastate or Section 311 service. (A firm transportation contract between Transporter and Shipper will be referenced herein as a "Firm Contract" and a Shipper that has entered into a Firm Contract will be referenced as a "Firm Shipper".)

Firm transportation service (“Firm Service”) shall mean transportation service that: is provided on a firm basis; is not subject to a prior claim by another customer or another class of service; and receives the same priority as firm service under any other Firm Contract in that it has the highest priority of transportation service offered by Transporter as set forth in Section 4. Transporter shall provide the Firm Service subject to the provisions of the Firm Contract between Transporter and Shipper, including the maximum daily quantity (“MDQ”) specified therein, and the provisions of this SOC. Transporter may interrupt service hereunder whenever Shipper fails to comply with any provision of this SOC or of Shipper’s currently effective Firm Contract(s). Transporter shall have the right to waive any one or more specific defaults by Shipper; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

3.3 **Interruptible Transportation Service.** Transporter may contract for and provide interruptible transportation for either intrastate or Section 311 service. (An interruptible transportation contract between Transporter and Shipper will be referenced herein as an “Interruptible Contract” and a Shipper that has entered into an Interruptible Contract will be referenced as an “Interruptible Shipper”). Interruptible transportation service (“Interruptible Service”) shall mean service that is subject to interruption at any time by Transporter, without liability as set forth herein, and shall have the priority as specified in Section 4. Transporter shall provide the Interruptible Service on an interruptible basis subject to the provisions of the Interruptible Contract between Transporter and Shipper, including the MDQ specified therein, and the provisions of this SOC. Interruptible Service shall be provided by Transporter on a ratable basis in accordance with Section 8 hereof. Transporter may interrupt service hereunder whenever Shipper fails to comply with any provision of this SOC or of Shipper’s currently effective Interruptible Contract(s). Transporter shall have the right to waive any one or more specific defaults by Shipper; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character. In addition, Transporter, in its Sole Discretion, may interrupt service if it deems such interruption necessary due to operating conditions or system requirements or

to assure that Transporter can render service to its other customers according to the priorities of Section 4.

- 3.4 **Maximum Daily Quantity.** Upon delivery by Shipper of Gas to the Point(s) of Receipt specified under Shipper's Contract, Transporter shall receive such Gas and deliver on a firm or interruptible basis thermally equivalent quantities of such Gas for the account of Shipper to the Point(s) of Delivery up to the MDQ specified in Shipper's Contract, after deducting System Fuel from the volume received by Transporter. Transporter's obligation to receive and deliver the Gas tendered by Shipper is subject to the physical capacity and operating constraints of Transporter's System, including, but not limited to, the Gas quality specifications set forth in Section 2 of the General Terms and Conditions.
- 3.5 Shipper shall protect, defend, indemnify, and hold Transporter harmless from and against any and all losses, damages, or expenses of every kind and character that Shipper or Transporter may suffer, sustain, or be liable for as a result of any interruption of service pursuant to the terms and conditions hereof; provided, however, that this provision shall not apply to losses, damages, or expenses attributable to gross negligence on the part of Transporter.
- 3.6 Transportation Service hereunder shall consist of the acceptance by Transporter of Natural Gas tendered or delivered by Shipper for transportation at the Point(s) of Receipt specified in the Contract, the transportation of that Natural Gas through Transporter's System, and the delivery of equivalent quantities of Natural Gas (less any reductions permitted under the Contract or this SOC) by Transporter to Shipper or for Shipper's account at the Point(s) of Delivery specified in the Contract. Transporter shall not be required to accept any Gas tendered or delivered by Shipper in excess of the maximum daily quantity specified in the Contract.

4. CURTAILMENT AND PRIORITY OF SERVICE

4.1 Service hereunder on all or any portion of Transporter's System may be allocated at the first of the Month or curtailed at any time during the Month due to capacity constraints on all or any portion of Transporter's System pursuant to the following provisions:

A. Firm Shippers shall receive first priority on a pro rata basis based on their nominations up to the MDQ set forth in their respective Firm Contracts.

B. Interruptible Shippers paying a higher unit rate per MMBtu shall receive a higher priority than Interruptible Shippers paying a lower unit rate. If, at the first of the Month, Transporter is required to allocate or, at any time during the Month, Transporter is required to curtail Interruptible Shippers because of changes in available capacity at any time, Transporter shall allocate or curtail as follows:

(1) Transporter shall, upon written or telephonic notice or notice given in person, refuse, curtail or interrupt service being provided under any Interruptible Contract to enable Transporter to provide or continue service to a Firm Shipper or another Shipper that is paying a higher unit rate per MMBtu. Transporter shall provide any Interruptible Shipper whose service is being subordinated by another Interruptible Shipper the right to bid for capacity through payment of a higher unit rate (if Section 311 service is involved, such rate may be bid up to the Maximum Interruptible Rate). If Shipper's bid for capacity results in a unit rate per MMBtu equal to or greater than the unit rate per MMBtu generated by service to the other interested Interruptible Shipper, then the Interruptible Shipper making such bid shall retain its priority, provided that priority between Shippers paying the same unit rate per MMBtu shall be determined as indicated below.

(2) If, after the specified bid process described above, volumes tendered for transportation by Interruptible Shippers under their respective Interruptible Contracts still exceed Transporter's ability to receive, transport and redeliver all nominated volumes, Interruptible Shippers paying the same unit rate per MMBtu shall be curtailed on a pro rata basis.

(3) Once capacity has been awarded, in accordance with this Statement of Operating Conditions, an Interruptible Shipper will not be interrupted during the Month due to a change in available capacity caused by a nomination of other Interruptible Shippers; provided however, that Interruptible Shippers are subject to being interrupted if a Firm Shipper submits a revised nomination pursuant to Section 8.1 of this Statement of Operating Conditions.

5. VALID REQUESTS FOR SERVICE

A request for service hereunder shall be valid as of the date received if it contains adequate information with respect to all items specified below, subject to any necessary verification of such information; provided, however, that a request shall not be valid if the service requested does not conform to the terms of this Statement of Operating Conditions or if the data provided are incomplete or not adequately substantiated. Transporter may waive any requirement below if it deems the information unnecessary in a specific case and may request additional information in a specific case if the data provided are, in Transporter's Sole Discretion, inadequate. Transporter shall promptly notify a Shipper whose request is rejected because of failure to submit or substantiate all data specified below or whose request fails to comply with any terms of this Statement of Operating Conditions.

Transporter shall promptly notify Shipper when its request for service is accepted and shall tender a Contract to Shipper for execution. Unless waived by Transporter, in its Sole Discretion, a request for service shall be invalid if Shipper fails to return an executed Contract within thirty (30) Days after such Contract has been tendered by Transporter to Shipper for execution. Requests for transportation service hereunder shall be deemed valid only after Shipper submits to Transporter at Enable Oklahoma Intrastate Transmission, LLC, P.O. Box 24300, Oklahoma City, Oklahoma 73124-0300, a Transportation Service Request Form, which Transporter shall make available to any Shipper, via Transporter's Internet Web Site or Shipper may provide such information in letter or tabular form.

- A. **Gas Quantity.** Shipper shall specify an MDQ, stated in MMBtus, to be received from Shipper and transported by Transporter.

- B. Point(s) of Receipt.** Shipper shall identify the points at which it desires to nominate Gas to be received by Transporter into its facilities. However, Transporter shall retain operational control over receipts into its system, including, but not limited to, the right to require Shipper to comply with all provisions of Section 8. Should Shipper's failure to comply with any provision of Section 8 unreasonably interfere, in Transporter's Sole Discretion, with Transporter's control over its system, then Transporter may, at its option, cease transportation and terminate any relevant agreements, without limitation of Transporter's rights and remedies at law and equity. Shipper shall provide the names or other suitable identification of all entities that are providing Gas transportation service upstream of Transporter's Point(s) of Receipt.
- C. Point(s) of Delivery.** Shipper shall identify the point(s) at which it desires Transporter to deliver the Gas. Shipper shall also provide, if requested by Transporter, the names or other suitable identification of all entities transporting the Gas downstream of Transporter.
- D. Term of Service.** Shipper shall state the date on which service is requested to commence. Transporter shall not be obligated to accept requests if the requested commencement date is more than three (3) Months after the date that the request for service was received by Transporter.
- E. Shipper's Arrangements.** Shipper shall provide to Transporter sufficient detail as to Gas supply, intervening transportation or markets to permit Transporter to complete any regulatory or informational reports required under the Applicable Regulations.
- F. Gas Analysis.** If Shipper is proposing or requesting the construction of new facilities connecting a new source of Gas supply to Transporter's System, Shipper shall submit a Gas analysis, including, but not limited to, test results and analyses for oxygen, carbon dioxide, nitrogen, water content (H₂O) and hydrogen sulfide, for Gas proposed to be received by Transporter. The analyses shall demonstrate that the Gas complies with the quality specifications for Gas to be received by

Transporter as set forth in Section 2 (Quality) of the General Terms and Conditions. If Transporter, in its Sole Discretion, determines that additional tests or analyses are required on the Gas, Shipper shall acquire those tests or analyses and submit the results thereof to Transporter. Notwithstanding the foregoing, Shipper shall permit Transporter to perform any tests and analyses that Transporter, in its Sole Discretion, deems necessary.

G. Creditworthiness. In accordance with the provisions of Section 8 (Creditworthiness) of the General Terms and Conditions:

1. Prior to commencing service hereunder, Shipper shall be required to establish creditworthiness with Transporter. Transporter shall not be required to process or review Shipper's request for service until it receives such credit information. After commencing service hereunder, Shipper shall be required to maintain creditworthiness with Transporter.

2. At any time upon request, Shipper shall provide Transporter with information sufficient to establish or maintain creditworthiness with Transporter. Such information may include, but is not limited to, financial statements, bank references and trade references.

3. If Shipper fails to establish or maintain creditworthiness with Transporter, Transporter may require Shipper to provide Adequate Assurances; and

4. If Shipper fails to establish or maintain creditworthiness with Transporter, or if Shipper fails to provide Adequate Assurances if required, Transporter shall not be required to commence or continue service hereunder.

6. TERM

6.1 The term for Firm or Interruptible Service hereunder shall be as set forth in the Shipper's Contract from the effective date of Shipper's Contract. In addition to any termination rights in the Contract, Transporter may also terminate an Interruptible Contract if, among other things:

- A. Shipper fails to commence transportation service thereunder within three (3) Months of the effective date of the Contract;
- B. Shipper fails to tender Gas to Transporter for receipt, transportation and redelivery for any period greater than one hundred eighty (180) consecutive Days;
or
- C. Shipper's Interconnect Agreement or Operational Balancing Agreement expires or is terminated.

7. RATES AND CHARGES

Shipper shall pay Transporter each Month hereunder the applicable charge for transportation services, together with such other charges as are identified herein and applicable to such transportation service.

- 7.1 The maximum rates for firm transportation service under Section 311 shall be the applicable maximum demand rate and the applicable maximum commodity rate approved by FERC ("Maximum Firm Rates"). See Exhibit B to this Statement of Operating Conditions. Notwithstanding the foregoing, Transportation and Shipper may agree to a discount to the maximum demand rate and/or the maximum commodity rate for firm transportation service.
- 7.2 The maximum unit transportation charge for interruptible transportation service under Section 311 shall be the applicable maximum unit rate approved by the FERC for interruptible transportation by Transporter under Section 311 ("Maximum Interruptible Rate"). See Exhibit B to this SOC. Notwithstanding the foregoing, Transporter and Shipper may agree to a discount to the unit rate to be charged for interruptible transportation.
- 7.3 In Transporter's Sole Discretion, Transporter may provide transportation under the Applicable Regulations at a discount from Transporter's applicable Maximum Rates. Nothing herein shall obligate or require, or be construed to obligate or require,

Transporter to offer such a discount. Transporter will offer any such discounts in a non-discriminatory manner.

- 7.4 Nothing in this Section shall be construed to modify any provision of Section 4.
- 7.5 Transporter shall invoice the Shipper each Month and the Shipper shall pay all charges applicable to each Contract.
- 7.6 Transporter's Maximum Rates for Section 311 service shall be determined pursuant to Section 284.123(b)(2) of the Applicable Regulations. Prior to approval by the FERC, Shipper shall pay and Transporter shall be entitled to collect an agreed upon unit rate up to the applicable Maximum Rates for which approval from the FERC has been sought by Transporter, subject to Transporter's obligation to make refunds pursuant to FERC regulations, if necessary.
- 7.7 Transporter reserves the right to file for higher Maximum Rates during the term of the Contract.
- 7.8 Unless otherwise provided for by Shipper's Contract, Shipper shall reimburse Transporter, in kind, an amount equal to the FERC approved zonal fuel percentage(s) for System Fuel times the volumes received by Transporter.

As set forth more fully in Section 7 of the General Terms and Conditions hereto, within fifteen (15) days after the date of any invoice for payment, Shipper shall reimburse Transporter for all fees, including, but not limited to, FERC or other regulatory filing, reporting and application fees, transportation fees, construction costs or other applicable fees that:

- (1) Have been paid by Transporter; or
- (2) Were required to be paid by FERC or any other regulatory body; and
- (3) Were applicable to transportation service or other applicable service performed or being performed by Transporter for Shipper.

- 7.9 If Transporter agrees to (i) construct, acquire or modify any facilities, (ii) acquire the right to use facilities by lease, or (iii) contract with a third party for the provision of

upstream or downstream transportation service at the request of Shipper in order to perform transportation service hereunder, Shipper shall pay Transporter the cost of such facilities, lease payments or third party service agreement payments, including all costs and charges associated therewith. Transporter shall recover such costs, lease payments or third party service agreement payments, and any costs or charges associated therewith, from the Shipper requesting Transporter to incur them by means of a separately stated facilities charge or charges to be included in Transporter's monthly invoice.

8. NOMINATIONS, IMBALANCES AND SYSTEM OPERATIONS ORDERS

8.1 **Nominations.** In accordance with the nomination deadlines set out below, Shipper shall provide to Transporter electronically, via Transporter's Internet Web Site unless otherwise specifically agreed to by Transporter, the nominations of volumes to be received by Transporter from Shipper at each Point(s) of Receipt and the aggregate of such nominations at all Point(s) of Receipt and the nominations of volumes to be delivered by Transporter to Shipper or for Shipper's account at each Point(s) of Delivery or pool(s) and the aggregate of all such nominations at all Point(s) of Delivery. Such nominations shall include all information deemed necessary, in Transporter's Sole Discretion, to adequately and correctly confirm, allocate and account for volumes so nominated, including, but not limited to, the number of Days for which the volume is nominated. If the number of Days for which the volume is nominated is not specified by Shipper, the nomination shall be presumed to be for one Day only. Transporter shall maintain a record of such nominations. Any Shipper who fails to provide Transporter with an electronic nomination on or before the nomination deadlines set out below shall be deemed to have nominated no volumes at any Point(s) of Receipt or Point(s) of Delivery; provided, however, that Transporter may, but shall not be obligated or required to, accept nominations from Shipper after the nomination deadlines set out below.

The deadline for nominations will be on or before ~~4:00 p.m.~~11:00 a.m. Central Clock Time on the 2nd working Day prior to the end of the Month preceding the Month in which nominations are to be effective. The nomination will consist of the Transportation Receipt Nomination which shall identify, by Zone, all volumes nominated to be received

by Transporter for Shipper or for Shipper's Account and the Transportation Delivery Nomination which shall identify, by Zone, all volumes nominated to be delivered by Transporter for Shipper or for Shipper's Account.

All nominations received after the first of the Month must be received by Transporter by 1:00 p.m. Central Clock Time on the Day prior to requested flow. All such nominations shall include all information required by Transporter as set out hereinabove for first of the Month nominations.

Transporter may, but is not required or obligated to, accept:

- A) Any nomination which exceeds Shipper's maximum daily quantity specified in the Contract, or
- B) Any nomination not submitted via Transporter's Internet Web Site.

Transporter will confirm nominations with the operator(s) of the Point(s) of Receipt and Point(s) of Delivery ("Operator(s)") at downstream pipeline interconnects. Shipper understands and agrees to contact, or cause contact with, the Operator(s) to confirm Shipper's nominations of volumes to be received by Transporter from Shipper at each Point(s) of Receipt and the nominations of volumes to be delivered by Transporter to Shipper or for Shipper's account at each Point(s) of Delivery. Transporter will not be obligated to schedule a nomination if the Operator does not confirm such nomination electronically, via Transporter's Internet Web Site, unless Transporter and Operator agree otherwise. Operator confirmations must be made on or before 4:30 p.m. Central Clock Time on the 2nd working Day prior to the end of the Month. All nominations received after the first of the Month must be confirmed by the Operator by 4:30 p.m. Central Time on the business Day prior to requested flow.

Volumes of Gas received by Transporter at the Point(s) of Receipt shall conform as closely as possible to the volumes nominated by Shipper at each Point(s) of Receipt and shall be delivered by Shipper to Transporter at hourly rates of flow that are as nearly as practicable uniform throughout the Day. Subject to Transporter's operating conditions and contractual requirements, volumes delivered by Transporter to Shipper or for

Shipper's account at the Point(s) of Delivery shall conform as closely as possible to the volumes nominated by Shipper for delivery at Transporter's Point(s) of Delivery, less any deductions for System Fuel, and any provision for imbalance corrections, except that Transporter may conform such volumes to Shipper's volumes delivered at Transporter's Point(s) of Receipt less any deduction for System Fuel and any provision for imbalance corrections. Transporter may temporarily interrupt receipts and/or deliveries at any time and from time to time, in accordance with: 1) the provisions of Section 4, 2) due to Transporter's operating conditions, 3) system requirements or 4) system operations orders.

- 8.2 **(a) Imbalances.** Transporter shall maintain an imbalance account for each Shipper by Contract and by the applicable zone, which reflects, for any given Month, total volumes received, delivered and retained, previous and new imbalance positions, and any other information deemed necessary and appropriate by Transporter. Transporter may provide Shipper with notice of imbalances on Transporter's Internet Web Site, by electronic mail, by facsimile transmission, or in writing.

Actual receipts and deliveries must balance daily with nominated receipts and deliveries, respectively, and nominated receipts, less any deductions for System Fuel and any provision for imbalance corrections, shall equal nominated deliveries. Transporter shall inform Shipper when daily receipts and deliveries are not in balance and require Shipper to take such action as is necessary to balance on a daily basis.

Volumes to be received or delivered to resolve all or any portion of a then-existing imbalance will be specifically designated as balancing volumes. Shippers within the same Zone (East or West) may also correct imbalances by sales or purchases from each other's contracts within the same Zone. For example, a Shipper that is long in the West Zone may nominate and sell all or a portion of its long position to a Shipper that is short in the West Zone.

Transporter may apply volumes first received or delivered (as the case may be) if Transporter so elects, in its Sole Discretion, to offset Shipper's then-existing imbalance, but only upon notice to Shipper.

(b) Penalties. Transporter may advise Shipper of a specific action regarding daily imbalances to be taken if deemed necessary by Transporter in its Sole Discretion. In the event Transporter requires Shipper to take specific action, Transporter shall notify Shipper thereof at a time and in a manner that is reasonable under the existing or expected conditions. Transporter may post notices of the required action on Transporter’s Internet Web Site and shall make reasonable efforts to notify the employee(s) of Shipper responsible for the then most recent nomination(s). If Transporter provides the original notice telephonically, Transporter shall follow up in a reasonable time with written confirmation.

If Transporter requires a specific action to be taken and Shipper fails to take such action as requested in Transporter’s notice, Transporter may assess and Shipper shall pay Transporter, an imbalance penalty calculated by multiplying the Shipper’s Daily Imbalance times the East Daily Index Price or West Daily Index Price (as appropriate) times the Daily Index Penalty Percentage. The Daily Index Penalty Percentage is based upon a Shipper’s Daily Imbalance percentage as indicated in the table below:

Daily Imbalance %	Daily Index Penalty %
0% to 5%	0%
>5% to 25%	25%
>25% to 50%	50%
>50% to 75%	100%
>75% to 100%	200%

In the event Transporter as a result of Shipper’s overdeliveries or underdeliveries incurs costs and/or penalties, Shipper shall also be responsible for and shall reimburse Transporter for such costs and/or penalties in excess of the penalty levels described above.

If Shipper is advised or directed by any upstream or downstream pipeline or operator to reduce or suspend deliveries for transportation, Shipper shall immediately so notify Transporter by telephone (or in person), and shall confirm such reduction or suspension in writing with Transporter. Furthermore, if Transporter is advised by any upstream or

downstream pipeline or operator of the reduction or suspension of deliveries for the account of Shipper, Transporter shall immediately so notify Shipper verbally and Shipper shall immediately confirm such reduction or suspension of deliveries in writing by way of a revised nomination to Transporter.

Shipper shall be responsible for and shall bear any penalties imposed or assessed by upstream or downstream pipelines or operators for imbalances in receipts and/or deliveries caused by Shipper action or inaction. Shipper shall indemnify and hold Transporter harmless and free from all such payments or charges for imbalances imposed or assessed against Transporter.

Shipper shall have ninety (90) Days to resolve any imbalance remaining at the termination of its Contract. If Shipper does not reduce the remaining imbalance to zero within ninety (90) Days of the termination of its Contract (unless due to the actions or inactions of Transporter), Transporter will:

- A. Charge Shipper and Shipper shall be obligated to pay for those quantities Shipper owes Transporter at a rate equal to 125% (one hundred and twenty five percent) of the final settlement price for the current prompt month NYMEX Henry Hub Natural Gas Contract which expired during the Month the ninetieth (90th) day occurred; or
- B. Be obligated to pay for those quantities Transporter owes Shipper at a rate equal to 75% (seventy five percent) of the final settlement price for the current prompt month NYMEX Henry Hub Natural Gas contract which expired during the Month the ninetieth (90th) day occurred.

8.3 (a) **System Operations Orders.** Transporter shall have the right to issue System Operations Orders when, in its Sole Discretion, such orders are necessary to maintain or restore the operational integrity of Transporter's System, alleviate conditions that threaten safe operations, or which are required to maintain efficient and reliable service. The operational integrity of Transporter's System shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall

operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered. To accomplish these objectives, Transporter shall be entitled to take actions as described in this Section.

A System Operations Order shall require actions or measures that Transporter determines will neutralize or reduce threats to, or otherwise preserve, the integrity of all or a portion of Transporter's System and that may require immediate response as determined by Transporter in its Sole Discretion. System Operations Orders may require a Shipper or Shippers to take any of the following actions, or similar actions, to the extent such action(s) would tend to alleviate the situation to be addressed:

- (i) Correct Daily Imbalances on a deficient segment of Transporter's System. A Shipper may, at its option, achieve the required balance by ceasing or reducing deliveries from deficient segments of Transporter's System or, alternatively, commencing or increasing supply inputs into deficient segments of Transporter's System; provided, however, that Transporter itself always retains the right to curtail deliveries, if necessary for system operations;
- (ii) Correct imbalances on an oversupplied segment of Transporter's system. A Shipper may, at its option, achieve the required balance by ceasing or reducing supply inputs into oversupplied segments of Transporter's System or, alternatively, commencing or increasing deliveries from oversupplied segments of Transporter's System; provided, however, that Transporter itself always retains the right to decline to receive supply, if necessary for system operations;
- (iii) Limit pool transfers or other aspects of pooling;
- (iv) Implement curtailments;
- (v) Such other actions as are within Shipper's control which would tend to alleviate or forestall the situation to be addressed.

(b) Penalties for Failure to Comply. A Shipper may be subject to a penalty for failure to comply with a System Operations Order calculated by multiplying the Shipper's Daily Imbalance times the East Daily Index Price or West Daily Index Price (as appropriate) times the Daily Index Penalty Percentage. The Daily Index Penalty Percentage is based upon a Shipper's Daily Imbalance percentage as indicated in the table in Section 8.2 above.

In the event that, in Transporter's Sole Discretion, actions undertaken pursuant to this Section are insufficient to remedy the situation or there is insufficient time to institute such actions, Transporter shall take such actions as are reasonably necessary to maintain System Operations, deliverability, reliable services and pressurization to all or any segment(s) of its system. Transporter is authorized to use all of the resources of its system to such ends, including line pack and all supply received into Transporter's System.

Transporter shall provide Shipper with notice of System Operations Order(s) at a time and in a manner that is reasonable under the existing or expected conditions. Transporter shall post notices of System Operations Order(s) on Transporter's Internet Web Site and shall make reasonable efforts to notify the employee(s) of Shipper responsible for the then most recent nomination(s). If Transporter provides the original notice telephonically, Transporter shall follow up in a reasonable time with written confirmation.

9. OPERATING CONDITIONS

- 9.1 Shipper shall make all necessary arrangements with other parties at or upstream of Transporter's Point(s) of Receipt where Shipper tenders Gas to Transporter for transportation, and at or downstream of any Point(s) of Delivery at which Transporter redelivers Gas to or for the account of Shipper. Such arrangements shall otherwise meet the terms and conditions herein.
- 9.2 Shipper shall represent and warrant to Transporter in writing that all volumes of Gas delivered to Transporter may be transported under the Applicable Regulations. Furthermore, at Transporter's Sole Discretion and upon request, Shipper shall secure written "on-behalf-of" authorization, in a form satisfactory to Transporter, from an

interstate pipeline or a local distribution company served by an interstate pipeline evidencing that the transportation to be performed hereunder is on such party's behalf under Section 311. Transporter shall not be obligated to perform service hereunder unless and until Shipper has provided such written representation, warranty, and authorization, if requested.

- 9.3 Transporter shall not be required to perform any service hereunder unless all facilities necessary to render the service exist and are in good operating condition.
- 9.4 Shipper shall deliver Gas or cause Gas to be delivered to Transporter at the Point(s) of Receipt at pressure(s) sufficient to allow the Gas to enter Transporter's System as such pressure will vary from time to time. Transporter shall not be required to compress into its pipeline Gas transported hereunder, lower its system operating pressure, alter the direction of Gas flow, the Gas load, or other operations or utilization of its facilities or otherwise change its pipeline operations in order to receive, transport, or deliver Gas hereunder. Unless waived by Transporter, at each Point(s) of Receipt, Shipper shall provide, or cause to be provided, equipment acceptable to Transporter which will prevent overpressuring Transporter's System.
- 9.5 Transporter shall deliver Gas at each Point of Delivery to, or for the account of, Shipper at the prevailing pressures on Transporter's system at each Point of Delivery, which pressures will vary from time to time.

10. DETERMINATION OF RECEIPTS AND DELIVERIES

- 10.1 If one Shipper or more than one Shipper delivers volumes to Transporter at the same point during the same Month under more than one Contract, Transporter shall use such Shipper's or Shippers' working interest, volumetric nominations, and/or any other information available to Transporter to allocate volumes received during that Month at such point. Shipper(s), and not Transporter, shall be responsible for and shall bear any liability for claims made, penalties imposed or judgments obtained by or against Transporter, Shipper, upstream transporters, operators and/or interest owners for imbalances among interests in wells or for imbalances between Shippers at or upstream of Transporter's Point(s) of Receipt.

If Transporter delivers volumes of Gas to one Shipper or more than one Shipper, or for such Shipper's or Shippers' accounts, at the same point during the same Month under more than one Contract, Transporter shall use such Shipper's or Shippers' volumetric nominations and/or any other information available to Transporter to allocate volumes delivered during that Month at such point. Shipper(s), and not Transporter, shall be responsible for and shall bear any liability for claims made, penalties imposed or judgments obtained by or against Transporter, Shipper, downstream transporters, operators and/or interest owners for imbalances between Shippers at or downstream of Transporter's Point(s) of Delivery.

11. MISCELLANEOUS

- 11.1 To the extent Shipper builds facilities which connect with Transporter's System, such interconnecting facilities shall be constructed only with Transporter's approval and under the supervision of Transporter's personnel.
- 11.2 To the extent Transporter builds, acquires, or modifies any facilities in order to transport Shipper's Gas, any such facilities shall be and remain at all times the property of and under the operation of Transporter.
- 11.3 Transporter may waive any rights hereunder or any obligation of Shipper on a non-discriminatory basis, provided, however, that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.
- 11.4 The provisions of the General Terms and Conditions, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part hereof and, as though stated herein, shall apply to service rendered hereunder.
- 11.5 Transporter reserves the right to add to, delete or modify any or all provisions of this Statement of Operating Conditions at any time. Any additions, deletions, modifications or other changes made by Transporter to this SOC, including the General Terms and Conditions, shall be filed with the FERC as required by and subject to the Applicable Regulations. Any such additions, deletions, modifications or other changes shall be effective no earlier than thirty (30) Days after filing the changes with the FERC.

- 11.6 Transporter is first and foremost an intrastate pipeline. Therefore, any Section 311 (a) (2) service which Transporter provides will be consistent with and shall not infringe upon its status as a non-jurisdictional intrastate pipeline and shall not subject Transporter to FERC's Natural Gas Act jurisdiction.
- 11.7 This Statement of Operating Conditions and the Transportation Service Request Form may be accessed electronically at Transporter's Internet Web Site or may be requested from Transporter by calling toll free 1-800-552-8048.

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC

EXHIBIT A

TO

Statement of Operating Conditions Applicable to Transportation Services

Fuel Trackers

For The Enable System In Oklahoma

East Zone And West Zone

Effective August 1, 2010

Fixed Fuel Percentages

Enable charges fixed zonal fuel percentages for Gas shipped on the East Zone and West Zone of the Enable System (hereinafter referred to as “the System”). The fuel percentages for each Zone are adjusted annually and are in effect from April 1 through March 31 (the “Fuel Year”). Enable files the fuel percentages and supporting workpapers with the Federal Energy Regulatory Commission (“FERC” or “Commission”) on or before February 28 of the year preceding the Fuel Year (or the next business day if February 28 is a weekend day or holiday) and implements the percentages on April 1 of the Fuel Year. The FERC notices the filing and establishes a deadline for comments or objections from shippers. Enable advises its shippers of the calculated percentages in sufficient time for such shippers to take the new fuel factors into account for their April nominations.

Annual Calculation of the Fuel Percentages

The fuel factors implemented as of April 1 of each Fuel Year reflect for each Zone, (1) the estimated fuel usage for the period April 1 to March 31 of the Fuel Year and (2) true-up adjustments for the prior two Fuel Years. Exhibit A-1, East Zone and Exhibit A-1, West Zone showing the methodology for calculation of the zonal fuel percentages are attached to this Exhibit A.

Enable calculates the fuel percentages for the Fuel Year based on actual experience in each Zone in the twelve Months, February to January, preceding the February 28 filing date. The annual calculations for each Fuel Year will also reflect expected changes for each Zone, if

any, in fuel use and deliveries, including changes attributable to changes in compressor capacity for such year, i.e., additions, retirements, upgrades or reconfigurations. See Exhibits A-1, line 40. To the extent that the estimates of usage and/or deliveries attributable to changes for each Zone prove to have been inaccurate, the following year's zonal true-ups will correct for the overestimation or underestimation.

Dollar Valuation of the Fuel Volumes

The value of fuel retained, actual fuel used and the resulting overrecovery or underrecovery for each Zone will be determined by multiplying the difference between the monthly retained volumes and the monthly actual fuel for each Zone by the corresponding monthly average of "PRICES OF SPOT GAS DELIVERED TO PIPELINES," as published for the first Day of each Month in Platt's Inside FERC Gas Market Report for (1) NGPL, Texok and (2) CenterPoint, East index for the East Zone and for (1) ANR, Okla. and (2) Panhandle, Tx.-Okla. index for the West Zone.

True-Up of the Fuel Percentages

Enable has a very large number of receipt points and, accordingly, must plan for and accommodate a very large number of prior period adjustments. While the great majority of such prior period adjustments are made in the first six months after the Gas flows, experience has shown that these receipt points can generate additional prior period adjustments for up to two Fuel Years. For that reason, Enable reflects two Fuel Years of true-up adjustments in the calculation of the fuel percentages. See Exhibits A-1, lines 42 and 43 and lines 47 and 48. For purposes of the fuel tracker, Enable will ignore prior period adjustments after two years.

The true-up calculations also incorporate the dollar valuation of the fuel volumes.

		MMBTU			VALUE		
		Deliveries	System Fuel	Fuel Retained (Calculated)	NGPL-Texok/ CenterPoint East \$/MMBTU	System Fuel	Fuel Retained (Calculated)
		[a]	[b]	[c]	[d]	[e] [b*d]	[f] [c*d]
20XX ACTUAL							
1	Apr-XX						
2	May-XX						
3	Jun-XX						
4	Jul-XX						
5	Aug-XX						
6	Sep-XX						
7	Oct-XX						
8	Nov-XX						
9	Dec-XX						
10	Jan-XX						
11	Feb-XX						
12	Mar-XX						
13	TOTAL	-	-	-	\$ -	\$ -	\$ -
20XX ACTUAL							
14	Apr-XX						
15	May-XX						
16	Jun-XX						
17	Jul-XX						
18	Aug-XX						
19	Sep-XX						
20	Oct-XX						
21	Nov-XX						
22	Dec-XX						
23	Jan-XX						
24	Feb-XX						
25	Mar-XX						
26	TOTAL	-	-	-	\$ -	\$ -	\$ -

	20XX ESTIMATED	MMBTU			VALUE	Fuel Retained	
		Deliveries	System Fuel	Fuel Retained (Calculated)	NYMEX LESS BASIS \$/MMBTU	System Fuel	Fuel Retained (Calculated)
		[a]	[b]	[c]	[d]	[e] [b*d]	[f] [c*d]
27	Apr-XX						
28	May-XX						
29	Jun-XX						
30	Jul-XX						
31	Aug-XX						
32	Sep-XX						
33	Oct-XX						
34	Nov-XX						
35	Dec-XX						
36	Jan-XX						
37	Feb-XX						
38	Mar-XX						
39	TOTAL	-	-	-	\$ -	Avg.	
	20XX FUEL VOLUME (MMBTU)						
40	Estimated inc/(dec) to system fuel for 20XX					Based on expected changes.	
41	20XX Estimated Fuel					L. 39, Col. b + L. 40, Col. b	
42	20XX Volume True-Up-inc/(dec)					L. 65, Col. a	
43	20XX Volume True-Up-inc/(dec)					L. 61, Col. a	
44	TOTAL					L. 41 + L. 42 + L. 43	
	20XX FUEL %						
45	20XX Estimated Deliveries (mmbtu)					L. 39, Col. a	
46	20XX % before true-ups		0.00%			L. 41/L. 45	
47	True-Up for 20XX		0.00%			L. 42/L. 45	
48	True-Up for 20XX		0.00%			L. 43/L. 45	
49	20XX Fuel Recovery Rate		0.00%			L. 46 + L. 47 + L. 48	

ANALYSIS OF FUEL RETAINED

	20XX Retainage	Value	
50	Retained for Tracker Year 20XX		PRXX-X-000, Col. a L. 53
51	Retained for Tracker Year 20XX		L. 13, Col. f - L. 50
52	Total		L. 13, Col. f
ANALYSIS OF FUEL RETAINED			
	20XX Retainage		
53	Retained for 20XX		L. 13, Col. e - L. 51
54	Retained for 20XX		L. 26, Col. f + L. 39, Col. f - L. 53
55	Total		L. 26, Col. f + L. 39, Col. f

ANALYSIS OF TRUE-UP		MMBTU	Value	
	20XX True-up	[a]	[b]	
56	20XX Actual Fuel			L. 13, Col.e
57	20XX Retained for 20XX			L. 51
58	20XX Retained for 20XX			L. 53
59	Total Retained for 20XX			L. 57 + L. 58
60	Remaining value to recover for 20XX			L. 56 - L. 59
61	Price adjusted volume to apply in 20XX to recover remaining value			L. 60/ L. 39, Col.d
ANALYSIS OF TRUE-UP				
	20XX True-up			
62	20XX Actual Fuel			L. 26, Col.e + L. 39, Col.e
63	20XX Retained for 2008			L. 54
64	Remaining value to recover for 20XX			L. 62 - L. 63
65	Price adjusted volume to apply in 20XX to recover remaining value			L. 64/ L. 39, Col.d

NOTES:

- 1-P. 1, Column d prices for Nov 20XX through Oct 20XX are the average of actual Inside FERC NGPL-Texok and CenterPoint prices.
- 2-P. 2, Column d prices for 20XX are NYMEX Henry Hub futures prices less a current basis quote as of XX/XX/20XX.

		MMBTU			VALUE		
		Deliveries	System Fuel	Fuel Retained (Calculated)	ANR-Okla./ Panhandle, Tx-Okla.\$/MMBTU	System Fuel	Fuel Retained (Calculated)
		[a]	[b]	[c]	[d]	[e] [b*d]	[f] [c*d]
20XX ACTUAL							
1	Apr-XX						
2	May-XX						
3	Jun-XX						
4	Jul-XX						
5	Aug-XX						
6	Sep-XX						
7	Oct-XX						
8	Nov-XX						
9	Dec-XX						
10	Jan-XX						
11	Feb-XX						
12	Mar-XX						
13	TOTAL	-	-	-	\$ -	\$ -	\$ -
20XX ACTUAL							
14	Apr-XX						
15	May-XX						
16	Jun-XX						
17	Jul-XX						
18	Aug-XX						
19	Sep-XX						
20	Oct-XX						
21	Nov-XX						
22	Dec-XX						
23	Jan-XX						
24	Feb-XX						
25	Mar-XX						
26	TOTAL	-	-	-	\$ -	\$ -	\$ -

20XX ESTIMATED	MMBTU			NYMEX LESS	VALUE	Fuel Retained
	Deliveries	System Fuel	Fuel Retained (Calculated)	BASIS \$/MMBTU	System Fuel	(Calculated)
	[a]	[b]	[c]	[d]	[e] [b*d]	[f] [c*d]
27	Apr-XX					
28	May-XX					
29	Jun-XX					
30	Jul-XX					
31	Aug-XX					
32	Sep-XX					
33	Oct-XX					
34	Nov-XX					
35	Dec-XX					
36	Jan-XX					
37	Feb-XX					
38	Mar-XX					
39	TOTAL	-	-	\$ -	Avg.	
20XX FUEL VOLUME (MMBTU)						
40	Estimated inc/(dec) to system fuel for 20XX					Based on expected changes.
41	20XX Estimated Fuel					L. 39, Col. b + L. 40, Col. b
42	20XX Volume True-Up-inc/(dec)					L. 65, Col. a
43	20XX Volume True-Up-inc/(dec)					L. 61, Col. a
44	TOTAL					L. 41 + L. 42 + L. 43
20XX FUEL %						
45	20XX Estimated Deliveries (mmbtu)					L. 39, Col. a
46	20XX % before true-ups		0.00%			L. 41/L. 45
47	True-Up for 20XX		0.00%			L. 42/L. 45
48	True-Up for 20XX		0.00%			L. 43/L. 45
49	20XX Fuel Recovery Rate		0.00%			L. 46 + L. 47 + L. 48

ANALYSIS OF FUEL RETAINED

	20XX Retainage	Value	
50	Retained for Tracker Year 20XX		PRXX-X-000, Col. a L. 53
51	Retained for Tracker Year 20XX		L. 13, Col. f - L. 50
52	Total		L. 13, Col. f
ANALYSIS OF FUEL RETAINED			
	20XX Retainage		
53	Retained for 20XX		L. 13, Col. e - L. 51
54	Retained for 20XX		L. 26, Col. f + L. 39, Col. f - L. 53
55	Total		L. 26, Col. f + L. 39, Col. f

ANALYSIS OF TRUE-UP		MMBTU	Value	
	20XX True-up	[a]	[b]	
56	20XX Actual Fuel			L. 13, Col.e
57	20XX Retained for 20XX			L. 51
58	20XX Retained for 20XX			L. 53
59	Total Retained for 20XX			L. 57 + L. 58
60	Remaining value to recover for 20XX			L. 56 - L. 59
61	Price adjusted volume to apply in 20XX to recover remaining value			L. 60/ L. 39, Col.d
ANALYSIS OF TRUE-UP				
	20XX True-up			
62	20XX Actual Fuel			L. 26, Col.e + L. 39, Col.e
63	20XX Retained for 2008			L. 54
64	Remaining value to recover for 20XX			L. 62 - L. 63
65	Price adjusted volume to apply in 20XX to recover remaining value			L. 64/ L. 39, Col.d

NOTES:

- 1-P. 1, Column d prices for Nov 20XX through Oct 20XX are the average of actual Inside FERC ANR-Okla.and Panhandle, Tx.-Okla. prices.
- 2-P. 2, Column d prices for 20XX are NYMEX Henry Hub futures prices less a current basis quote as of XX/XX/20XX.

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC

EXHIBIT B

TO

Statement of Operating Conditions Applicable to Transportation Services

**RATE SUMMARY FOR SECTION 311
FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE**

In accordance with Section 284.123(b)(2) of the FERC’s regulations, as revised by Order No. 714, Transporter hereby provides the following rate summary:

Maximum Rates Per MMBtu

Firm Section 311 East Zone (Demand)	Firm Section 311 West Zone (Demand)	Interruptible Section 311 East Zone (Commodity)	Interruptible Section 311 West Zone (Commodity)
\$0.1800	\$0.0954	\$0.1800	\$0.1071

Minimum Rates Per MMBtu

Firm Section 311 East Zone (Demand)	Firm Section 311 West Zone (Demand)	Interruptible Section 311 East Zone (Commodity)	Interruptible Section 311 West Zone (Commodity)
\$0.00	\$0.00	\$0.00	\$0.00

Fuel Percentages for April 1, 2016 through March 31, 2017¹

East Zone	West Zone
2.12%	1.27%

Fuel Percentages for April 1, 2017 through March 31, 2018

East Zone	West Zone
0.68%	1.15%

¹ The tariff record reflecting the fuel percentages for the April 1, 2016 through March 31, 2017 Fuel Year was approved under the Commission’s optional notice procedure in Docket No. PR16-31-000 effective April 1, 2016.

**GENERAL TERMS AND CONDITIONS
FOR STATEMENT OF
OPERATING CONDITIONS**

of

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC

**TERMS AND CONDITIONS FOR
STATEMENT OF
OPERATING CONDITIONS OF
ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC**

1.	DEFINITIONS.....	1
2.	QUALITY.....	3
3.	MEASUREMENT AND TESTS.....	5
4.	WARRANTY AND INDEMNIFICATION.....	9
5.	FORCE MAJEURE	109
6.	GOVERNMENTAL RULES, REGULATIONS AND AUTHORIZATIONS.....	11
7.	BILLINGS AND PAYMENT	1211
8.	CREDITWORTHINESS	14
9.	CHOICE OF LAW	1516
10.	EEOC COMPLIANCE	16
11.	MISCELLANEOUS	16
12.	DESCRIPTIVE HEADINGS.....	17

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

In addition to the definitions of terms contained in Transporter's Statement of Operating Conditions Applicable to Transportation Services ("SOC"), which are incorporated by reference, and except in those certain instances where the context expressly states another meaning, the following terms, when used in these General Terms and Conditions or in the Statement of Operating Conditions, Contract or other agreement into which these General Terms and Conditions are incorporated, shall have the following meanings:

- A. "Btu" shall mean British Thermal Unit and, where appropriate, shall mean the plural thereof. One (1) Btu shall mean one British Thermal Unit, and is defined as the quantity of heat required to raise the temperature of one (1) pound of pure water from fifty-eight & five-tenths (58.5) degrees Fahrenheit to fifty-nine and five-tenths (59.5) degrees Fahrenheit at a constant pressure of fourteen & seventy-three hundredths pounds per square inch absolute (14.73 psia). The term "MMBtu" shall mean one million (1,000,000) Btu.
- B. "Cubic Foot or Standard Cubic Foot" shall have the meaning ascribed in Section 4.1. The term "Mcf" shall mean one thousand (1,000) standard Cubic Feet of Gas.
- C. "Day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Clock Time.
- D. "Delivery", "deliver", or "delivered" shall refer to the physical transfer of possession of Gas from Transporter to Shipper or Shipper's carrier.
- E. "Equivalent Quantities" shall mean the sum of the volumes of Gas measured in MMBtu received by Transporter for the account of Shipper during any given period of time, reduced by Shipper's share of fuel and adjusted for any variations in Btu content. It is the intent of the parties that the volumes of Gas delivered for the account of Shipper be the thermal equivalent of the volumes of Gas received by Transporter for transportation, as so adjusted.

- F. “Gas” and “Natural Gas” shall mean natural gas as produced in its natural state, whether or not stored or processed prior to receipt or delivery, and that meets the respective quality standards for receipt and delivery contained in Section 2 (Quality).
- G. “Heating Value” shall mean, the number of Btu’s produced by the complete combustion, at a constant pressure, of the amount of Gas which would occupy a volume of one (1) Cubic Foot at a temperature of sixty (60) degrees Fahrenheit if saturated with water vapor and at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia) and under standard gravitational force (acceleration 980.655 centimeters per second, per second), with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air and when the water formed by combustion is condensed to the liquid state; provided, however, if the Gas as received or delivered contains seven (7) pounds of water vapor or less per one million (1,000,000) standard Cubic Feet, such Gas shall be assumed to be dry.
- H. “Month” shall mean a period of time beginning at 9:00 a.m. Central Clock Time on the first (1st) Day of a calendar Month and extending to 9:00 a.m. Central Clock Time on the first (1st) Day of the following calendar Month.
- I. “Normal Operating Range of an Orifice Meter Station” shall mean the flow range from the minimum flowrate of a single meter tube to the maximum combined flowrate of all meter tubes installed in the meter station which does not require an orifice plate change.
- J. “p.s.i.g.” shall mean pounds per square inch gauge. “p.s.i.a.” shall mean pounds per square inch absolute.
- K. “Receipt”, “Receive”, or “Received” shall refer to the physical transfer of possession of Gas from Shipper or Shipper’s carrier to Transporter.

- L. “Secondary Measurement Equipment” shall mean pressure and temperature sensing and recording equipment.
- M. “Thermal Content” shall mean the aggregate number of Btu contained in that volume, when applied to any volume of Gas.
- O. “Transporter’s Internet Web Site” shall mean Transporter’s electronically accessible site.

2. QUALITY

2.1 Gas tendered to Transporter for transportation must meet the quality specification in this Section 2.1 or such more stringent standards as may be required at any Point(s) of Delivery. Gas received by Transporter and delivered to Shipper under a Contract, including the Statement of Operating Conditions, shall meet the minimum quality specifications below:

- A. The Gas shall in no event have in excess of seven (7) pounds of water vapor per million (1,000,000) standard Cubic Feet of Gas.
- B. The Gas shall be free of objectionable liquids and solids and other impurities, including, but not limited to, methanol, and shall be commercially free from dust, gum, gum-forming constituents, free water and other liquids and solids.
- C. The Gas shall not at any time have an oxygen content in excess of ten (10) parts per million by volume and the parties hereto shall make every reasonable effort to keep the Gas free of oxygen.
- D. The Gas shall not contain more than one quarter (0.25) grain of hydrogen sulfide per one hundred (100) standard Cubic Feet (four (4) parts per million by volume).
- E. The Gas shall not contain more than 5 grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) standard Cubic Feet.

- F. The Gas shall not contain mercaptans in excess of one-quarter (.25) grain per one hundred standard Cubic Feet.
- G. The Gas shall not have a carbon dioxide content in excess of two (2) percent by volume.
- H. The Gas shall not contain more than three (3) percent nitrogen by volume.
- I. The Gas shall have a total heating value per Cubic Foot of not less than nine hundred seventy-five (975) Btu or more than one thousand eighty (1,080) Btu.
- J. The Gas shall not have a hydrocarbon dew point of more than forty (40) degrees Fahrenheit (the hydrocarbon dew point shall be calculated at 600 psig).
- K. The Gas shall be received at a temperature not in excess of one hundred twenty (120) degrees Fahrenheit and not less than forty (40) degrees Fahrenheit.
- L. The Gas must be interchangeable with the Gas in Transporter's system at the Point(s) of Receipt.

2.2 If, at any time, Gas tendered for receipt shall fail to conform to any of the quality specifications set forth above, Transporter may, at its Sole Discretion, refuse to accept receipt of such Gas. Transporter shall notify Shipper of the deficiency as soon as possible after its occurrence. Such notice may be by any reasonable means, including, but not limited to, electronic mail, facsimile transmission and/or telephone, including voice messages. Transporter may elect to bill Shipper for all further costs for related Gas testing to confirm that any such deficiency has been corrected.

2.3 Transporter has the right to charge Shipper for all costs and expenses, including but not limited to, costs related to clean up and/or remediation, associated with the receipt of Gas that does not conform with the quality specifications for Gas to be received by Transporter as set forth in this Section.

- 2.4 Transporter's acceptance of non-conforming Gas without invoking its rights set forth in Sections 2.2 or 2.3 shall not constitute any continuing waiver of Transporter's rights to require compliance or application of Transporter's rights as set forth herein.

3. MEASUREMENT AND TESTS

The measurement of Gas at the Point(s) of Receipt and Point(s) of Delivery shall be in accordance with the following provisions:

- 3.1 For all of the purposes of the SOC, a standard Cubic Foot of Gas shall be that quantity which occupies one Cubic Foot of space at a temperature of sixty (60) degrees Fahrenheit and at a pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. The volumes of Gas received and delivered hereunder shall be measured and computed in accordance with methods prescribed by the American Gas Association. Installation of new measurement facilities, whether by Transporter or Shipper, shall be in accordance with the latest and approved version of the applicable American Gas Association's standards.
- 3.2 The total heating value of the Gas in Btu per Cubic Foot and the specific gravity received and delivered hereunder shall be determined from a sample of Gas taken by means of a composite sampler, a spot sample, a Gas chromatograph, or any other method in general use in the Gas industry. The recorded average specific gravity to the nearest one thousandth (0.001), obtained while Gas is being received and/or delivered, shall be the applicable specific gravity of Gas for the period under consideration.
- 3.3 Transporter shall make reasonable efforts to collect spot samples from a flowing Gas stream during normal business hours. In the event that Transporter's attempts to coordinate spot sampling are unsuccessful, Transporter shall use the most recently available Gas sample information.
- 3.4 Transporter, in its Sole Discretion, may elect to discontinue Gas sampling at Point(s) of Receipt or Point(s) of Delivery that have been continuously inactive for sixty (60) consecutive Days.

- 3.5 If, at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or determination of factors used in such Gas measurement, such new method or technique may, in Transporter's Sole Discretion, be substituted for the Gas measurement method or technique set forth herein.
- 3.6 Transporter may, at its Sole Discretion, install computers, transducers and other associated sensing devices to accomplish the accurate measurement of Gas received and/or delivered.
- 3.7 It is recognized that all facilities necessary to measure Gas at Point(s) of Receipt and Point(s) of Delivery have been or will be installed and in operation as of the date of first delivery of Gas to Transporter hereunder. Unless otherwise agreed, Transporter shall install, maintain and operate all facilities and equipment for the accurate measurement of the Gas received, transported and delivered hereunder. Shipper shall have access to the measuring equipment at all reasonable times, but readings, calibrations and adjustments thereof, and changing of charts, shall be done by Transporter unless otherwise agreed.
- 3.8 Upon written permission from Transporter, Shipper may, at its option, install, maintain and operate such new, additional or revised equipment, including check measuring and signal sharing equipment, as it may desire, at its own expense, and provided that such equipment is installed so as not to interfere with the custody measurement equipment of Transporter. Equipment installed by Shipper and not authorized in writing by Transporter may be removed by Transporter, at Shipper's expense. Each party shall have the right of access, at all reasonable times when Gas is being received or delivered, to the measuring equipment installed by the other party. The calibrating and adjusting of Transporter's measuring equipment and changing of meter charts on Transporter's meters shall be done only by Transporter and the calibrating and adjusting of Shipper's measuring equipment and changing of meter charts on its check meters shall be performed only by Shipper. Transporter, upon written request by Shipper, or Shipper, upon request by Transporter, shall mail or deliver to the other all meter charts and/or records used in measurement of Gas received and delivered hereunder during any specified period for which charts and/or records are required to be retained as hereinafter

provided, but such charts and/or records shall be mailed or returned to Transporter or Shipper, as the case may be, within thirty (30) Days after their receipt. Transporter's Check Measurement Agreement form shall be available upon request.

- 3.9 Each party shall have the right to be present at the time of any scheduled installation, testing, cleaning, changing, repairing, inspection, calibration or adjusting of measuring equipment of the other party used in measurement of Gas received and delivered hereunder.
- 3.10 All measuring equipment shall be installed in such a manner as to permit an accurate determination of the quantity of Gas received or delivered and ready verification of the accuracy of measurement. The parties shall exercise reasonable care in the installation, maintenance and operation of check measuring, pressure regulating equipment, Gas compressors or other related equipment so as to prevent inaccuracy in the determination of the quantity of Gas being measured. Shipper shall control flow rates such that measurement of the Gas quantity is within the Normal Operating Range of the Orifice Meter Station. Transporter shall size the orifice plate such that the flow-dependent average monthly flow rate falls within the Normal Operating Range of the Orifice Meter Station. In its Sole Discretion, Transporter may elect to not provide volumetric adjustments pursuant to Section 3.13 for flow exceeding the differential pressure instrument's range or for flows resulting in damage to orifice plates. When Transporter determines that pulsation problems or other measurement inaccuracies exist, in addition to any remedies otherwise available to it, Transporter shall have the right to require Shipper or other third parties to install and continuously operate and maintain pulsation dampening equipment and/or to regulate Gas flows in a manner which would prevent or eliminate such problems or inaccuracies within thirty (30) business Days of notification by Transporter. Following notice to the affected parties and pending the correction of the problem, measurement based on charts or meters at any such affected points for system operating purposes shall be made in a manner which reasonably adjusts or compensates for the inaccuracy identified.

- 3.11 The accuracy of the measuring equipment at each Point(s) of Receipt and each Point(s) of Delivery shall be verified at intervals not exceeding one (1) year and at such other times as may be requested by Shipper or Transporter, and if any such verification shall be requested by Shipper or Transporter and the measuring equipment is found to measure Gas quantities within two percent (2%) accuracy, the expense of such verification shall be borne by the party requesting verification.
- 3.12 Transporter may elect to discontinue regular verification of measurement equipment accuracy at Point(s) of Receipt or Point(s) of Delivery that have been continuously inactive for sixty (60) Days. Following the discontinuation of measurement equipment accuracy verification at a Point of Receipt or Point of Delivery, Shipper must provide three (3) business Days notice prior to Transporter's subsequent receipt or delivery of Gas at such Point of Receipt or Point of Delivery.
- 3.13 If, upon test, the measuring equipment measures Gas quantities within two percent (2%) accuracy at any Point(s) of Receipt or Point(s) of Delivery, previous readings of such equipment after the last preceding test shall be considered correct, but the equipment shall be adjusted to record accurately. However, even if the inaccuracy is less than two percent (2%), if the volume discrepancy is quantifiable and exceeds 250 MMBtu, the volumes shall be adjusted appropriately. If, at the Point(s) of Receipt or Point(s) of Delivery, upon any test, the measuring equipment measures Gas quantities with an inaccuracy requiring adjustment, or if at any time the measuring equipment should be out of service or not registering, Gas received or delivered through the period during which the measuring equipment was registering inaccurately or was out of service or not registering shall be estimated and agreed upon by use of the first of the following methods which may be applicable:
- A. By using the registration of any check measuring equipment installed by either party if registering accurately; or
 - B. By computing error if percentage of error is ascertainable by calibration, test or mathematical calculation; or

C. By estimating the quantity received or delivered and/or its thermal content by reference to actual receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately. If the period during which the measuring equipment at the Point(s) of Receipt or Point(s) of Delivery had been registering inaccurately or had been out of service or not registering is not definitely known or agreed upon, correction shall be made for the last half of the time elapsed since the measuring equipment was previously tested and found to accurately measure Gas within two percent (2%). All corrections made as above provided shall be made to zero error.

3.14 The charts and/or records from the measuring equipment shall remain the property of the party owning the measuring equipment and shall be kept on file for a period of not less than two (2) years.

4. WARRANTY AND INDEMNIFICATION

4.1 Each party hereby warrants to the other that at the time of receipt or delivery of Gas hereunder, it will have the right to receive or deliver, as the case may be, such Gas, and that such Gas shall be free and clear of all liens and adverse claims; and each party agrees, with respect to the Gas received or delivered by it, to indemnify the other party against all suits, actions, debts, accounts, damages, costs (including reasonable attorney fees), losses and expenses arising from or out of any adverse claim of any and all persons to or against said Gas while that party has responsibility for the Gas.

5. FORCE MAJEURE

5.1 In the event of either party being rendered unable, wholly or in part, by reason of force majeure to carry out its obligations under the Contract (other than the obligation to make payment of amounts due hereunder), it is agreed that such party shall give notice and reasonably full particulars of such force majeure by electronic mail, facsimile transmission or in writing to the other party within a reasonable time after the occurrence of the cause relied on, and the obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of any

inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

- 5.2 The parties' obligations hereunder shall also be suspended during the continuance of any force majeure situation to the extent such force majeure conditions prevent delivery of Gas for Shipper's account.
- 5.3 The term, "force majeure", as employed herein shall mean acts of God; strikes, lockouts, or other industrial disturbances; conditions arising from a change in governmental laws, orders, rules, or regulations; acts of public enemy; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of governments and people; civil disturbances; explosions; breakage or accident to machinery or lines of pipe; the necessity for making repairs, tests, alterations, or performing maintenance to machinery or lines of pipe; freezing of wells or lines of pipe; partial or entire failure of wells or treating facilities; and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension, and which by the exercise of due diligence, such party is unable to prevent or overcome. Such term shall likewise include: (a) those instances where either Transporter or Shipper is required to obtain servitudes, rights-of-way, grants, permits or licenses to enable such party to fulfill its obligations under the Contract; the inability of such party to acquire or the delays on the part of such party in acquiring, at reasonable costs, and after the exercise of reasonable diligence, such servitudes, rights-of-way, grants, permits, or licenses, and (b) those instances where either Transporter or Shipper is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is required to secure permits or permissions from any governmental agency to enable such party to fulfill its obligations under the Contract, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable costs, and after the exercise of reasonable diligence, such material and supplies, permits and permissions.
- 5.4 It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the

settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

- 5.5 Notwithstanding the foregoing, it is specifically understood and agreed by the parties hereto that force majeure shall in no way terminate the parties' obligations to balance those volumes of Gas received and delivered hereunder.

6. GOVERNMENTAL RULES, REGULATIONS AND AUTHORIZATIONS

- 6.1 This Statement of Operating Conditions is subject to all valid orders, laws, rules and regulations of duly constituted governmental authorities having jurisdiction or control over the parties, their facilities or Gas supplies, this Statement of Operating Conditions or any provisions hereof. If at any time during the period of transportation of Gas hereunder, any such governmental authority shall take or threaten to take any action, directly or indirectly, whereby the receipt, transportation and delivery of Gas as contemplated hereunder shall be proscribed or possibly subjected to terms, conditions, restraints or regulations, including without limitation by enumeration, rate or price controls or ceilings that, in the sole judgment of the party affected, would be adverse or unduly burdensome to that party, such party may, upon written notice, cancel and terminate the Contract, including the Statement of Operating Conditions, without further liability hereunder except for payment for services provided hereunder prior to such cancellation and termination.
- 6.2 The parties agree to timely file and prosecute all applications, statements and notices with any governmental regulatory authority having appropriate and applicable jurisdiction.

7. BILLINGS AND PAYMENT

- 7.1 On or about the tenth (10th) Day of each Month after delivery of Gas has commenced hereunder, Transporter shall render to Shipper a statement for the preceding Month setting forth the total quantity of Gas, and the Btu content thereof, at the Point(s) of Receipt and Point(s) of Delivery which was received and delivered, respectively, the amount due Transporter by Shipper for the transportation or other applicable services

performed hereunder and such other information sufficient to explain and support any adjustments made by Transporter in determining the amount billed.

- 7.2 Shipper shall pay Transporter the amount due on the later of the twenty-fifth (25th) Day of the Month following the Month of production or (i) fifteen (15) Days after the date of the invoice described in Section 8.1; or (ii) fifteen (15) Days after the date of any other invoice Transporter renders. In the event Shipper fails to timely pay Transporter according to this Section, Transporter will assess and Shipper shall pay an interest charge equal to one and one-half percent (1.5%) per Month on the unpaid balance. Further, in the event Shipper fails to timely pay Transporter according to this Section, Transporter may, in its Sole Discretion, suspend all transportation of Gas pursuant to Section 7.6.
- 7.3 Under Firm Contracts for which demand charges are applicable, Transporter will submit an invoice to Shipper for demand charges during the Month preceding the Month to which such demand charges apply. Payment of such invoices shall be due on the latter of (i) the 25th day of the Month in which such invoice is received or (ii) fifteen (15) Days after the receipt of the invoice (the "Demand Payment Date"). Shipper shall pay the full amount of the demand charges set forth on the invoice on or before the Demand Payment Date. In the event that Shipper does not make timely payment of demand charges on or before the Demand Payment Date as required by this Section 7.3, Transporter may exercise all of its rights available at law and pursuant to the Firm Contract. In the event Shipper fails to timely pay Transporter according to this Section, Transporter will assess and Shipper shall pay an interest charge equal to one and one-half percent (1.5%) per Month on the unpaid balance.
- 7.4 All parties hereto shall have the right at any and all reasonable times to examine the books and records of the other party to the extent necessary to verify the accuracy of any statement, charge, computation or demand made under or pursuant to a Contract, including the Statement of Operating Conditions. The parties agree to schedule such audits in advance and at mutually agreeable times. Within thirty (30) Days following any such audit, the auditing party shall notify the audited party of the results of such audit and specifically, whether the accuracy of any statement, charge, computation or demand will

be challenged. Such books and records shall be kept for not less than two (2) years following the month the charge was billed or the credit issued (“Exception Period”). All charges and credits shall be conclusively deemed to be correct and accurate unless written exception is taken to specific charges or credits within the Exception Period. All charges and credits beyond the Exception Period and not subject to written exception are considered final and not subject to review or adjustment with regard to any such statement, charge, computation or demand was made under or pursuant to a Contract, including the SOC. In the event the examination of either party’s records requires disclosure of confidential third party agreements, the auditing party shall use the services of an independent third party auditor who shall be required to keep the terms of such third party agreements confidential and shall disclose confidential information only to the extent necessary to render the audit. Any requested disclosure of confidential information to the auditing party must be submitted to the audited party for approval. The cost of any independent third party auditor shall be borne by the auditing party.

- 7.5 Shipper agrees to reimburse Transporter for all taxes that may be levied upon and/or paid by Transporter, with respect to the transportation services rendered hereunder.
- 7.6 If Shipper in good faith disputes any amount billed hereunder, Shipper shall not be required to pay interest in accordance with Sections 7.2 and 7.3 on any such amount that is ultimately determined to be in error; provided, however, interest shall be due if such amount billed is found not to be in error. Shipper shall pay when due the full amount of the invoice, including the amount in dispute, and Transporter shall refund with interest any disputed amount that ultimately is determined to be in error. If Shipper fails to pay any amount due hereunder, Transporter may, in addition to exercising any other rights it may have under the Contract, under the SOC, at law, or in equity, suspend service, including deliveries of Gas, subject to Transporter providing forty-eight (48) hours written notice of such intention to suspend. Transporter may, without waiving any other rights or remedies it may have, withhold further delivery until such payment or security is received or take whatever steps it deems necessary, in its sole judgment, to insure that non-payment of invoices by Shipper does not occur, including but not limited to, termination of Shipper’s Contract. In the event Transporter pursues collection on late

payment, Shipper shall be liable for any and all expenses and costs, including court costs and reasonable attorney fees, incurred as a result of such failure to timely pay.

- 7.7 Transporter may set off any amount owed by Transporter to Shipper under any Contract(s) against the amount owed by Transporter or any affiliate of Transporter under any Contract(s) and any other agreements.

8. CREDITWORTHINESS

- 8.1 To establish and maintain creditworthiness with Transporter, Shipper shall maintain an investment grade credit rating, and Shipper shall otherwise demonstrate to Transporter's satisfaction the ability to meet its financial obligations hereunder. An "investment grade credit rating" means a long-term senior unsecured non-credit enhanced debt rating of: at least BBB- from Standard & Poor's Rating Group (a division of McGraw-Hill Inc.) or its successor ("S&P") or "Baa3" from Moody's Investor Services, Inc. or its successor ("Moody's"), in either case with a short-term and long-term outlook or credit watch of stable or positive. If Shipper is rated by S&P and Moody's, the lower credit rating will apply.
- 8.2 Transporter shall not be required to commence service or to continue to provide service under a Contract with any Shipper that:
- A. Is or has become insolvent;
 - B. Has voluntarily commenced a case or proceeding or the filing of any petition under any bankruptcy, insolvency or similar law seeking dissolution, liquidation or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; or to effect a plan or other arrangement with its creditors; or has filed an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition filed against it in any bankruptcy, insolvency or similar case or proceeding, has been adjudicated as bankrupt, has made a general assignment for the benefit of creditors or has consented to, or acquiesced in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property,

assets or business or has taken corporate action for the purpose of effectuating any of the foregoing; or

- C. Has been the subject of the commencement of involuntary proceedings or the filing of an involuntary petition against Shipper under any bankruptcy, insolvency or similar law seeking the dissolution, liquidation, or reorganization of Shipper, or the appointment of a receiver, trustee, custodian or liquidator for Shipper, or of a substantial part of the property, assets or business of Shipper, or the issuance or levy of any writ, judgment, warrant or attachment, execution or similar process against a substantial part of the property, assets, or business of Shipper; or
- D. Fails to establish and maintain creditworthiness with Transporter; or
- E. Fails to provide Adequate Assurances.

8.3 If Shipper fails to establish or maintain creditworthiness with Transporter, Shipper may be required by Transporter to provide adequate assurances. "Adequate Assurances" shall mean a cash prepayment, a guaranty or an irrevocable standby letter of credit, from a financial institution in a form acceptable to Transporter in its reasonable Sole Discretion, as may be requested by Transporter, in an amount equal to three (3) Months of service at the full Maximum Daily Quantity (or, for interruptible Shippers, an amount equal to three (3) Months of estimated service based on historical or projected usage, as determined by Transporter in its reasonable Sole Discretion), plus any other required monthly fees, plus an amount equal to the highest imbalance payment accrued in one (1) Month during the previous twelve (12) consecutive Months. Shipper must deliver to Transporter the Adequate Assurances within three (3) business Days of receipt of Transporter's written request, make payment in full within three (3) business Days of receipt of Transporter's written request for all amounts due from Shipper under any Contract(s) and any other agreements between Transporter and Shipper including netting arrangements, and maintain such Adequate Assurances until Shipper can establish creditworthiness with Transporter. If Shipper fails to provide Adequate Assurances upon request, Transporter may, in addition to exercising any other rights it may have under the Contract, under the SOC, at law, or in equity, immediately suspend service, including deliveries of Gas.

9. CHOICE OF LAW

9.1 The interpretation and performance under Shipper's Contract, and the Statement of Operating Conditions and these General Terms and Conditions shall be in accordance with the laws of the State of Oklahoma, excluding any conflict of law principle that might refer such interpretation and performance to the laws of another jurisdiction. With respect to any cause of action associated directly or indirectly with the terms and conditions of a Contract and the Statement of Operating Conditions, the parties agree and consent to the exclusive jurisdiction of the federal or state courts sitting in the State of Oklahoma, and acknowledge proper venue to be in either state or federal court located in Oklahoma County, Oklahoma, and hereby waive any defenses or objections thereto; provided, however, that Transporter may agree to permit a court with jurisdiction to decide venue as to a specific matter or matters.

10. EEOC COMPLIANCE

10.1 To the extent applicable, each party hereby respectively warrants that it is in compliance with, and during the term hereof will remain in compliance with, all applicable laws, executive orders and acts concerning equal opportunity employment and wage and hours regulations.

11. MISCELLANEOUS

11.1 As between the parties hereto, Shipper shall be deemed to be in exclusive control and in possession of the Gas prior to such Gas being received hereunder by Transporter at the Point(s) of Receipt and responsible for any damages, losses or injuries caused thereby, except for injuries and damages which shall be occasioned solely and proximately by the negligent acts or omissions of Transporter. After Shipper delivers or causes Gas to be delivered to Transporter at the Point(s) of Receipt, Transporter shall be deemed to be in exclusive control and possession of such Gas, and responsible for any injuries or damages caused thereby, until it is redelivered to Shipper or for the account of Shipper at the Point(s) of Delivery, except injuries and damages which shall be occasioned solely and proximately by the negligent acts or omissions of Shipper following such redelivery. At the Point(s) of Delivery, Shipper shall thereafter be deemed to be in exclusive control and

possession of such Gas and responsible for any injuries or damages caused thereby, except injuries and damages which shall be occasioned solely and proximately by the negligent acts or omissions of Transporter.

12. DESCRIPTIVE HEADINGS

- 12.1 The descriptive headings of the provisions of Shipper's Contract and of this SOC, including these General Terms and Conditions are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provision.

CLEAN SOC

**STATEMENT OF
OPERATING CONDITIONS
APPLICABLE TO TRANSPORTATION SERVICES**

of

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC

(filed in compliance with 18 C.F.R. Part 284)

April 20, 2017

eTariff Information:

Tariff Subscriber: **Enable Oklahoma Intrastate Transmission, LLC**

FERC Tariff Program Name: FERC NGPA Gas Tariff

Tariff Title: Transportation SOC databse

Tariff Record Proposed Effective Date: May 22, 2017

Tariff Record Title: Tariff, Enable Transportation Statement of Operating Conditions

Option Code: A

Other Information: Revised SOC

**STATEMENT OF
OPERATING CONDITIONS OF
ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC
IN COMPLIANCE WITH 18 C.F.R. PART 284**

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC (hereinafter “Enable” or “Transporter”), an intrastate pipeline operating within the State of Oklahoma, will engage in the transportation of natural gas pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 and pursuant to applicable regulations of the Federal Energy Regulatory Commission on the following terms and conditions:

TABLE OF CONTENTS

1.	DEFINITIONS.....	1
2.	AVAILABILITY OF SERVICE	4
3.	APPLICABILITY AND CHARACTER OF SERVICE	5
4.	CURTAILMENT AND PRIORITY OF SERVICE	8
5.	VALID REQUESTS FOR SERVICE	9
6.	TERM	11
7.	RATES AND CHARGES	12
8.	NOMINATIONS, IMBALANCES AND SYSTEM OPERATIONS ORDERS	14
9.	OPERATING CONDITIONS	20
10.	DETERMINATION OF RECEIPTS AND DELIVERIES	21
11.	MISCELLANEOUS	22

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE

1. DEFINITIONS

In addition to the definitions of terms contained in the attached General Terms (“General Terms and Conditions”), and except where the context expressly states another meaning, the following terms, when used herein, shall have the following meanings:

- A.** “Applicable Regulations” shall mean those regulations promulgated by FERC pursuant to Section 311(a)(2) of the Natural Gas Policy Act of 1978 (“Section 311”), or other authority, including regulations at 18 C.F.R. Part 284, applicable to transportation under Section 311, as such regulations may be amended from time to time.
- B.** “Central Clock Time” shall mean Central Standard Time or Central Daylight Savings Time, as applicable in Oklahoma.
- C.** “Contract” or “Shipper’s Contract” shall mean a service agreement for the transportation of Natural Gas between Transporter and Shipper, as such agreement may be amended from time to time.
- D.** “Daily Imbalance” shall mean the daily volumetric variance between net receipts and allocated deliveries, adjusted for System Fuel.
- E.** “Daily Index Penalty Percentage” shall mean the percentage obtained by referencing the Daily Imbalance percentage in the table included in Section 8.
- F.** “East Daily Index Price” shall mean the arithmetic average of the applicable midpoint prices quoted for deliveries to Transporter in the Daily Price Surveys published by Gas Daily for the applicable Day of Gas flow and for (1) NGPL, Texok zone and (2) Enable Gas Transmission, East. Should one or both of such surveys no longer be published, Transporter will determine an acceptable substitute source or sources for such Daily Price Survey(s), as closely comparable as possible to that previously used. Transporter will post such new source(s) on Transporter’s Internet Web Site.

- G.** “East Zone” shall include all Transporter’s facilities on or directly interconnected with (1) Transporter’s Line 111 located East and/or downstream of Transporter’s Sasakwa compressor station located in Section 1, 5N-6E in Seminole County, Oklahoma, (2) Transporter’s Line 114 located East and/or downstream of Prague Junction in Section 36, T13N-R5E, Lincoln County, Oklahoma (3) Transporter’s Lines 7 and 18, located East and/or downstream of Transporter’s Noble interconnect with Williams Natural Gas located in Section 10, T21N-R2W, Noble County, Oklahoma, 4) Transporter’s Line 1 located East and/or downstream of Transporter’s Pink Compressor Station in Section 8, T9N-R2E, Pottawatomie County, Oklahoma and (5) Transporter’s Line 22 located East and/or downstream of Transporter’s Comanche Tie Compressor Station located in Section 23, T4N-R6W, Grady County, Oklahoma.
- H.** “FERC” shall mean the Federal Energy Regulatory Commission or any successor agency or governmental authority having jurisdiction under Section 311.
- I.** “Point(s) of Delivery” shall mean the point(s) at which Transporter delivers Gas on Shipper’s behalf.
- J.** “Point(s) of Receipt” shall mean the point(s) at which Shipper delivers Gas to the Transporter for transport to a Point of Delivery.
- K.** “Shipper” shall mean any person or entity who has requested Transporter to transport Natural Gas on behalf of an eligible person or entity and any person who has entered into a valid Contract with Transporter for the transportation of Natural Gas.
- L.** “SOC” shall mean this Statement of Operating Conditions Applicable to Transportation Services together with the attached General Terms and Conditions, which are fully incorporated by reference herein.
- M.** “Sole Discretion” shall mean Enable’s sole discretion exercised in a reasonable and non-discriminatory manner.

- N.** “System Fuel” shall mean mainline compression fuel plus lost and unaccounted for Gas on Transporter’s System. Such System Fuel will be calculated pursuant to the Fuel Tracker set forth in Exhibit A hereto.
- O.** “Transporter” shall mean Enable, an intrastate pipeline company operating within the State of Oklahoma which provides transportation service pursuant to the Applicable Regulations.
- P.** “Transporter’s System” shall mean the pipeline facilities, including appurtenant facilities, owned, leased, or operated by Transporter within the State of Oklahoma.
- Q.** “West Daily Index Price” shall mean the arithmetic average of the applicable midpoint prices quoted for deliveries to Transporter in the Daily Price Surveys published by Gas Daily for the applicable Day of Gas flow and for (1) ANR, Okla. and (2) Panhandle, Tx.-Okla. Should one or both of such surveys be no longer published, Transporter will determine an acceptable substitute source or sources for such Daily Price Survey(s), as closely comparable as possible to that previously used. Transporter will post such new source(s) on Transporter’s Internet Web Site.
- R.** “West Zone” shall include all portions of the Transporter’s System that have not been designated as the East Zone.

2. AVAILABILITY OF SERVICE

2.1 Transportation service by Transporter is available for any Shipper to the extent that:

- (1) Capacity is available on Transporter’s System;
- (2) Shipper (a) makes a valid request for service, including documentation to demonstrate its creditworthiness to the satisfaction of Transporter in accordance with the provisions of Section 5.G, and (b) executes a Contract with Transporter applicable to service; and

- (3) Said service complies with the terms and conditions of this Statement of Operating Conditions.

2.2 For the purpose of determining the availability of service in processing requests received pursuant to Section 5, Transporter shall not be required to grant any requests for transportation service:

- (1) Which could, in Transporter's Sole Discretion, impair Transporter's Firm or Interruptible Service arrangements, jeopardize the integrity of Transporter's System, interfere with the efficient operation of its system or be detrimental to Transporter's compression, storage or other operations;
- (2) Which would require the construction, modification, expansion, or acquisition of any facilities; provided, however, Transporter may agree, in its Sole Discretion, to construct, modify, expand, or acquire facilities to enable it to perform such service;
- (3) If Transporter determines in accordance with Section 9 (Creditworthiness) of the General Terms and Conditions that Shipper is not creditworthy; or
- (4) If Shipper's Contract has expired and no replacement or rollover agreement has been executed.

2.3 Nothing within this Section 2 is intended to control the interruption or curtailment of service once a request for service has been granted pursuant to Section 5 and while a Contract is in effect.

3. APPLICABILITY AND CHARACTER OF SERVICE

3.1 Section 311 transportation service provided under this Statement of Operating Conditions shall be performed under Subpart C of Part 284 of the Applicable Regulations ("Subpart C"). This Statement of Operating Conditions and any Contract covering the transportation of Natural Gas thereunder shall be subject to the provisions of Subpart C.

3.2 **Firm Transportation Service.** Transporter may contract for and provide firm transportation for either intrastate or Section 311 service. (A firm transportation contract between Transporter and Shipper will be referenced herein as a "Firm Contract" and a Shipper that has entered into a Firm Contract will be referenced as a "Firm Shipper".)

Firm transportation service (“Firm Service”) shall mean transportation service that: is provided on a firm basis; is not subject to a prior claim by another customer or another class of service; and receives the same priority as firm service under any other Firm Contract in that it has the highest priority of transportation service offered by Transporter as set forth in Section 4. Transporter shall provide the Firm Service subject to the provisions of the Firm Contract between Transporter and Shipper, including the maximum daily quantity (“MDQ”) specified therein, and the provisions of this SOC. Transporter may interrupt service hereunder whenever Shipper fails to comply with any provision of this SOC or of Shipper’s currently effective Firm Contract(s). Transporter shall have the right to waive any one or more specific defaults by Shipper; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character.

3.3 **Interruptible Transportation Service.** Transporter may contract for and provide interruptible transportation for either intrastate or Section 311 service. (An interruptible transportation contract between Transporter and Shipper will be referenced herein as an “Interruptible Contract” and a Shipper that has entered into an Interruptible Contract will be referenced as an “Interruptible Shipper”). Interruptible transportation service (“Interruptible Service”) shall mean service that is subject to interruption at any time by Transporter, without liability as set forth herein, and shall have the priority as specified in Section 4. Transporter shall provide the Interruptible Service on an interruptible basis subject to the provisions of the Interruptible Contract between Transporter and Shipper, including the MDQ specified therein, and the provisions of this SOC. Interruptible Service shall be provided by Transporter on a ratable basis in accordance with Section 8 hereof. Transporter may interrupt service hereunder whenever Shipper fails to comply with any provision of this SOC or of Shipper’s currently effective Interruptible Contract(s). Transporter shall have the right to waive any one or more specific defaults by Shipper; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character. In addition, Transporter, in its Sole Discretion, may interrupt service if it deems such interruption necessary due to operating conditions or system requirements or

to assure that Transporter can render service to its other customers according to the priorities of Section 4.

- 3.4 **Maximum Daily Quantity.** Upon delivery by Shipper of Gas to the Point(s) of Receipt specified under Shipper's Contract, Transporter shall receive such Gas and deliver on a firm or interruptible basis thermally equivalent quantities of such Gas for the account of Shipper to the Point(s) of Delivery up to the MDQ specified in Shipper's Contract, after deducting System Fuel from the volume received by Transporter. Transporter's obligation to receive and deliver the Gas tendered by Shipper is subject to the physical capacity and operating constraints of Transporter's System, including, but not limited to, the Gas quality specifications set forth in Section 2 of the General Terms and Conditions.
- 3.5 Shipper shall protect, defend, indemnify, and hold Transporter harmless from and against any and all losses, damages, or expenses of every kind and character that Shipper or Transporter may suffer, sustain, or be liable for as a result of any interruption of service pursuant to the terms and conditions hereof; provided, however, that this provision shall not apply to losses, damages, or expenses attributable to gross negligence on the part of Transporter.
- 3.6 Transportation Service hereunder shall consist of the acceptance by Transporter of Natural Gas tendered or delivered by Shipper for transportation at the Point(s) of Receipt specified in the Contract, the transportation of that Natural Gas through Transporter's System, and the delivery of equivalent quantities of Natural Gas (less any reductions permitted under the Contract or this SOC) by Transporter to Shipper or for Shipper's account at the Point(s) of Delivery specified in the Contract. Transporter shall not be required to accept any Gas tendered or delivered by Shipper in excess of the maximum daily quantity specified in the Contract.

4. CURTAILMENT AND PRIORITY OF SERVICE

4.1 Service hereunder on all or any portion of Transporter's System may be allocated at the first of the Month or curtailed at any time during the Month due to capacity constraints on all or any portion of Transporter's System pursuant to the following provisions:

A. Firm Shippers shall receive first priority on a pro rata basis based on their nominations up to the MDQ set forth in their respective Firm Contracts.

B. Interruptible Shippers paying a higher unit rate per MMBtu shall receive a higher priority than Interruptible Shippers paying a lower unit rate. If, at the first of the Month, Transporter is required to allocate or, at any time during the Month, Transporter is required to curtail Interruptible Shippers because of changes in available capacity at any time, Transporter shall allocate or curtail as follows:

(1) Transporter shall, upon written or telephonic notice or notice given in person, refuse, curtail or interrupt service being provided under any Interruptible Contract to enable Transporter to provide or continue service to a Firm Shipper or another Shipper that is paying a higher unit rate per MMBtu. Transporter shall provide any Interruptible Shipper whose service is being subordinated by another Interruptible Shipper the right to bid for capacity through payment of a higher unit rate (if Section 311 service is involved, such rate may be bid up to the Maximum Interruptible Rate). If Shipper's bid for capacity results in a unit rate per MMBtu equal to or greater than the unit rate per MMBtu generated by service to the other interested Interruptible Shipper, then the Interruptible Shipper making such bid shall retain its priority, provided that priority between Shippers paying the same unit rate per MMBtu shall be determined as indicated below.

(2) If, after the specified bid process described above, volumes tendered for transportation by Interruptible Shippers under their respective Interruptible Contracts still exceed Transporter's ability to receive, transport and redeliver all nominated volumes, Interruptible Shippers paying the same unit rate per MMBtu shall be curtailed on a pro rata basis.

(3) Once capacity has been awarded, in accordance with this Statement of Operating Conditions, an Interruptible Shipper will not be interrupted during the Month due to a change in available capacity caused by a nomination of other Interruptible Shippers; provided however, that Interruptible Shippers are subject to being interrupted if a Firm Shipper submits a revised nomination pursuant to Section 8.1 of this Statement of Operating Conditions.

5. VALID REQUESTS FOR SERVICE

A request for service hereunder shall be valid as of the date received if it contains adequate information with respect to all items specified below, subject to any necessary verification of such information; provided, however, that a request shall not be valid if the service requested does not conform to the terms of this Statement of Operating Conditions or if the data provided are incomplete or not adequately substantiated. Transporter may waive any requirement below if it deems the information unnecessary in a specific case and may request additional information in a specific case if the data provided are, in Transporter's Sole Discretion, inadequate. Transporter shall promptly notify a Shipper whose request is rejected because of failure to submit or substantiate all data specified below or whose request fails to comply with any terms of this Statement of Operating Conditions.

Transporter shall promptly notify Shipper when its request for service is accepted and shall tender a Contract to Shipper for execution. Unless waived by Transporter, in its Sole Discretion, a request for service shall be invalid if Shipper fails to return an executed Contract within thirty (30) Days after such Contract has been tendered by Transporter to Shipper for execution. Requests for transportation service hereunder shall be deemed valid only after Shipper submits to Transporter at Enable Oklahoma Intrastate Transmission, LLC, P.O. Box 24300, Oklahoma City, Oklahoma 73124-0300, a Transportation Service Request Form, which Transporter shall make available to any Shipper, via Transporter's Internet Web Site or Shipper may provide such information in letter or tabular form.

- A. **Gas Quantity.** Shipper shall specify an MDQ, stated in MMBtus, to be received from Shipper and transported by Transporter.

- B. Point(s) of Receipt.** Shipper shall identify the points at which it desires to nominate Gas to be received by Transporter into its facilities. However, Transporter shall retain operational control over receipts into its system, including, but not limited to, the right to require Shipper to comply with all provisions of Section 8. Should Shipper's failure to comply with any provision of Section 8 unreasonably interfere, in Transporter's Sole Discretion, with Transporter's control over its system, then Transporter may, at its option, cease transportation and terminate any relevant agreements, without limitation of Transporter's rights and remedies at law and equity. Shipper shall provide the names or other suitable identification of all entities that are providing Gas transportation service upstream of Transporter's Point(s) of Receipt.
- C. Point(s) of Delivery.** Shipper shall identify the point(s) at which it desires Transporter to deliver the Gas. Shipper shall also provide, if requested by Transporter, the names or other suitable identification of all entities transporting the Gas downstream of Transporter.
- D. Term of Service.** Shipper shall state the date on which service is requested to commence. Transporter shall not be obligated to accept requests if the requested commencement date is more than three (3) Months after the date that the request for service was received by Transporter.
- E. Shipper's Arrangements.** Shipper shall provide to Transporter sufficient detail as to Gas supply, intervening transportation or markets to permit Transporter to complete any regulatory or informational reports required under the Applicable Regulations.
- F. Gas Analysis.** If Shipper is proposing or requesting the construction of new facilities connecting a new source of Gas supply to Transporter's System, Shipper shall submit a Gas analysis, including, but not limited to, test results and analyses for oxygen, carbon dioxide, nitrogen, water content (H₂O) and hydrogen sulfide, for Gas proposed to be received by Transporter. The analyses shall demonstrate that the Gas complies with the quality specifications for Gas to be received by

Transporter as set forth in Section 2 (Quality) of the General Terms and Conditions. If Transporter, in its Sole Discretion, determines that additional tests or analyses are required on the Gas, Shipper shall acquire those tests or analyses and submit the results thereof to Transporter. Notwithstanding the foregoing, Shipper shall permit Transporter to perform any tests and analyses that Transporter, in its Sole Discretion, deems necessary.

G. Creditworthiness. In accordance with the provisions of Section 8 (Creditworthiness) of the General Terms and Conditions:

1. Prior to commencing service hereunder, Shipper shall be required to establish creditworthiness with Transporter. Transporter shall not be required to process or review Shipper's request for service until it receives such credit information. After commencing service hereunder, Shipper shall be required to maintain creditworthiness with Transporter.

2. At any time upon request, Shipper shall provide Transporter with information sufficient to establish or maintain creditworthiness with Transporter. Such information may include, but is not limited to, financial statements, bank references and trade references.

3. If Shipper fails to establish or maintain creditworthiness with Transporter, Transporter may require Shipper to provide Adequate Assurances; and

4. If Shipper fails to establish or maintain creditworthiness with Transporter, or if Shipper fails to provide Adequate Assurances if required, Transporter shall not be required to commence or continue service hereunder.

6. TERM

6.1 The term for Firm or Interruptible Service hereunder shall be as set forth in the Shipper's Contract from the effective date of Shipper's Contract. In addition to any termination rights in the Contract, Transporter may also terminate an Interruptible Contract if, among other things:

- A. Shipper fails to commence transportation service thereunder within three (3) Months of the effective date of the Contract;
- B. Shipper fails to tender Gas to Transporter for receipt, transportation and redelivery for any period greater than one hundred eighty (180) consecutive Days;
or
- C. Shipper's Interconnect Agreement or Operational Balancing Agreement expires or is terminated.

7. RATES AND CHARGES

Shipper shall pay Transporter each Month hereunder the applicable charge for transportation services, together with such other charges as are identified herein and applicable to such transportation service.

- 7.1 The maximum rates for firm transportation service under Section 311 shall be the applicable maximum demand rate and the applicable maximum commodity rate approved by FERC ("Maximum Firm Rates"). See Exhibit B to this Statement of Operating Conditions. Notwithstanding the foregoing, Transportation and Shipper may agree to a discount to the maximum demand rate and/or the maximum commodity rate for firm transportation service.
- 7.2 The maximum unit transportation charge for interruptible transportation service under Section 311 shall be the applicable maximum unit rate approved by the FERC for interruptible transportation by Transporter under Section 311 ("Maximum Interruptible Rate"). See Exhibit B to this SOC. Notwithstanding the foregoing, Transporter and Shipper may agree to a discount to the unit rate to be charged for interruptible transportation.
- 7.3 In Transporter's Sole Discretion, Transporter may provide transportation under the Applicable Regulations at a discount from Transporter's applicable Maximum Rates. Nothing herein shall obligate or require, or be construed to obligate or require,

Transporter to offer such a discount. Transporter will offer any such discounts in a non-discriminatory manner.

- 7.4 Nothing in this Section shall be construed to modify any provision of Section 4.
- 7.5 Transporter shall invoice the Shipper each Month and the Shipper shall pay all charges applicable to each Contract.
- 7.6 Transporter's Maximum Rates for Section 311 service shall be determined pursuant to Section 284.123(b)(2) of the Applicable Regulations. Prior to approval by the FERC, Shipper shall pay and Transporter shall be entitled to collect an agreed upon unit rate up to the applicable Maximum Rates for which approval from the FERC has been sought by Transporter, subject to Transporter's obligation to make refunds pursuant to FERC regulations, if necessary.
- 7.7 Transporter reserves the right to file for higher Maximum Rates during the term of the Contract.
- 7.8 Unless otherwise provided for by Shipper's Contract, Shipper shall reimburse Transporter, in kind, an amount equal to the FERC approved zonal fuel percentage(s) for System Fuel times the volumes received by Transporter.

As set forth more fully in Section 7 of the General Terms and Conditions hereto, within fifteen (15) days after the date of any invoice for payment, Shipper shall reimburse Transporter for all fees, including, but not limited to, FERC or other regulatory filing, reporting and application fees, transportation fees, construction costs or other applicable fees that:

- (1) Have been paid by Transporter; or
 - (2) Were required to be paid by FERC or any other regulatory body; and
 - (3) Were applicable to transportation service or other applicable service performed or being performed by Transporter for Shipper.
- 7.9 If Transporter agrees to (i) construct, acquire or modify any facilities, (ii) acquire the right to use facilities by lease, or (iii) contract with a third party for the provision of

upstream or downstream transportation service at the request of Shipper in order to perform transportation service hereunder, Shipper shall pay Transporter the cost of such facilities, lease payments or third party service agreement payments, including all costs and charges associated therewith. Transporter shall recover such costs, lease payments or third party service agreement payments, and any costs or charges associated therewith, from the Shipper requesting Transporter to incur them by means of a separately stated facilities charge or charges to be included in Transporter's monthly invoice.

8. NOMINATIONS, IMBALANCES AND SYSTEM OPERATIONS ORDERS

- 8.1 **Nominations.** In accordance with the nomination deadlines set out below, Shipper shall provide to Transporter electronically, via Transporter's Internet Web Site unless otherwise specifically agreed to by Transporter, the nominations of volumes to be received by Transporter from Shipper at each Point(s) of Receipt and the aggregate of such nominations at all Point(s) of Receipt and the nominations of volumes to be delivered by Transporter to Shipper or for Shipper's account at each Point(s) of Delivery or pool(s) and the aggregate of all such nominations at all Point(s) of Delivery. Such nominations shall include all information deemed necessary, in Transporter's Sole Discretion, to adequately and correctly confirm, allocate and account for volumes so nominated, including, but not limited to, the number of Days for which the volume is nominated. If the number of Days for which the volume is nominated is not specified by Shipper, the nomination shall be presumed to be for one Day only. Transporter shall maintain a record of such nominations. Any Shipper who fails to provide Transporter with an electronic nomination on or before the nomination deadlines set out below shall be deemed to have nominated no volumes at any Point(s) of Receipt or Point(s) of Delivery; provided, however, that Transporter may, but shall not be obligated or required to, accept nominations from Shipper after the nomination deadlines set out below.

The deadline for nominations will be on or before 11:00 a.m. Central Clock Time on the 2nd working Day prior to the end of the Month preceding the Month in which nominations are to be effective. The nomination will consist of the Transportation Receipt Nomination which shall identify, by Zone, all volumes nominated to be received

by Transporter for Shipper or for Shipper's Account and the Transportation Delivery Nomination which shall identify, by Zone, all volumes nominated to be delivered by Transporter for Shipper or for Shipper's Account.

All nominations received after the first of the Month must be received by Transporter by 1:00 p.m. Central Clock Time on the Day prior to requested flow. All such nominations shall include all information required by Transporter as set out hereinabove for first of the Month nominations.

Transporter may, but is not required or obligated to, accept:

- A) Any nomination which exceeds Shipper's maximum daily quantity specified in the Contract, or
- B) Any nomination not submitted via Transporter's Internet Web Site.

Transporter will confirm nominations with the operator(s) of the Point(s) of Receipt and Point(s) of Delivery ("Operator(s)") at downstream pipeline interconnects. Shipper understands and agrees to contact, or cause contact with, the Operator(s) to confirm Shipper's nominations of volumes to be received by Transporter from Shipper at each Point(s) of Receipt and the nominations of volumes to be delivered by Transporter to Shipper or for Shipper's account at each Point(s) of Delivery. Transporter will not be obligated to schedule a nomination if the Operator does not confirm such nomination electronically, via Transporter's Internet Web Site, unless Transporter and Operator agree otherwise. Operator confirmations must be made on or before 4:30 p.m. Central Clock Time on the 2nd working Day prior to the end of the Month. All nominations received after the first of the Month must be confirmed by the Operator by 4:30 p.m. Central Time on the business Day prior to requested flow.

Volumes of Gas received by Transporter at the Point(s) of Receipt shall conform as closely as possible to the volumes nominated by Shipper at each Point(s) of Receipt and shall be delivered by Shipper to Transporter at hourly rates of flow that are as nearly as practicable uniform throughout the Day. Subject to Transporter's operating conditions and contractual requirements, volumes delivered by Transporter to Shipper or for

Shipper's account at the Point(s) of Delivery shall conform as closely as possible to the volumes nominated by Shipper for delivery at Transporter's Point(s) of Delivery, less any deductions for System Fuel, and any provision for imbalance corrections, except that Transporter may conform such volumes to Shipper's volumes delivered at Transporter's Point(s) of Receipt less any deduction for System Fuel and any provision for imbalance corrections. Transporter may temporarily interrupt receipts and/or deliveries at any time and from time to time, in accordance with: 1) the provisions of Section 4, 2) due to Transporter's operating conditions, 3) system requirements or 4) system operations orders.

- 8.2 **(a) Imbalances.** Transporter shall maintain an imbalance account for each Shipper by Contract and by the applicable zone, which reflects, for any given Month, total volumes received, delivered and retained, previous and new imbalance positions, and any other information deemed necessary and appropriate by Transporter. Transporter may provide Shipper with notice of imbalances on Transporter's Internet Web Site, by electronic mail, by facsimile transmission, or in writing.

Actual receipts and deliveries must balance daily with nominated receipts and deliveries, respectively, and nominated receipts, less any deductions for System Fuel and any provision for imbalance corrections, shall equal nominated deliveries. Transporter shall inform Shipper when daily receipts and deliveries are not in balance and require Shipper to take such action as is necessary to balance on a daily basis.

Volumes to be received or delivered to resolve all or any portion of a then-existing imbalance will be specifically designated as balancing volumes. Shippers within the same Zone (East or West) may also correct imbalances by sales or purchases from each other's contracts within the same Zone. For example, a Shipper that is long in the West Zone may nominate and sell all or a portion of its long position to a Shipper that is short in the West Zone.

Transporter may apply volumes first received or delivered (as the case may be) if Transporter so elects, in its Sole Discretion, to offset Shipper's then-existing imbalance, but only upon notice to Shipper.

(b) Penalties. Transporter may advise Shipper of a specific action regarding daily imbalances to be taken if deemed necessary by Transporter in its Sole Discretion. In the event Transporter requires Shipper to take specific action, Transporter shall notify Shipper thereof at a time and in a manner that is reasonable under the existing or expected conditions. Transporter may post notices of the required action on Transporter’s Internet Web Site and shall make reasonable efforts to notify the employee(s) of Shipper responsible for the then most recent nomination(s). If Transporter provides the original notice telephonically, Transporter shall follow up in a reasonable time with written confirmation.

If Transporter requires a specific action to be taken and Shipper fails to take such action as requested in Transporter’s notice, Transporter may assess and Shipper shall pay Transporter, an imbalance penalty calculated by multiplying the Shipper’s Daily Imbalance times the East Daily Index Price or West Daily Index Price (as appropriate) times the Daily Index Penalty Percentage. The Daily Index Penalty Percentage is based upon a Shipper’s Daily Imbalance percentage as indicated in the table below:

Daily Imbalance %	Daily Index Penalty %
0% to 5%	0%
>5% to 25%	25%
>25% to 50%	50%
>50% to 75%	100%
>75% to 100%	200%

In the event Transporter as a result of Shipper’s overdeliveries or underdeliveries incurs costs and/or penalties, Shipper shall also be responsible for and shall reimburse Transporter for such costs and/or penalties in excess of the penalty levels described above.

If Shipper is advised or directed by any upstream or downstream pipeline or operator to reduce or suspend deliveries for transportation, Shipper shall immediately so notify Transporter by telephone (or in person), and shall confirm such reduction or suspension in writing with Transporter. Furthermore, if Transporter is advised by any upstream or

downstream pipeline or operator of the reduction or suspension of deliveries for the account of Shipper, Transporter shall immediately so notify Shipper verbally and Shipper shall immediately confirm such reduction or suspension of deliveries in writing by way of a revised nomination to Transporter.

Shipper shall be responsible for and shall bear any penalties imposed or assessed by upstream or downstream pipelines or operators for imbalances in receipts and/or deliveries caused by Shipper action or inaction. Shipper shall indemnify and hold Transporter harmless and free from all such payments or charges for imbalances imposed or assessed against Transporter.

Shipper shall have ninety (90) Days to resolve any imbalance remaining at the termination of its Contract. If Shipper does not reduce the remaining imbalance to zero within ninety (90) Days of the termination of its Contract (unless due to the actions or inactions of Transporter), Transporter will:

- A. Charge Shipper and Shipper shall be obligated to pay for those quantities Shipper owes Transporter at a rate equal to 125% (one hundred and twenty five percent) of the final settlement price for the current prompt month NYMEX Henry Hub Natural Gas Contract which expired during the Month the ninetieth (90th) day occurred; or
- B. Be obligated to pay for those quantities Transporter owes Shipper at a rate equal to 75% (seventy five percent) of the final settlement price for the current prompt month NYMEX Henry Hub Natural Gas contract which expired during the Month the ninetieth (90th) day occurred.

8.3 (a) **System Operations Orders.** Transporter shall have the right to issue System Operations Orders when, in its Sole Discretion, such orders are necessary to maintain or restore the operational integrity of Transporter's System, alleviate conditions that threaten safe operations, or which are required to maintain efficient and reliable service. The operational integrity of Transporter's System shall encompass the integrity of the physical system and the preservation of physical assets and their performance, the overall

operating performance of the entire physical system as an entity (or any portion thereof), and the maintenance (on a reliable and operationally sound basis) of total system deliverability and the quality of Gas delivered. To accomplish these objectives, Transporter shall be entitled to take actions as described in this Section.

A System Operations Order shall require actions or measures that Transporter determines will neutralize or reduce threats to, or otherwise preserve, the integrity of all or a portion of Transporter's System and that may require immediate response as determined by Transporter in its Sole Discretion. System Operations Orders may require a Shipper or Shippers to take any of the following actions, or similar actions, to the extent such action(s) would tend to alleviate the situation to be addressed:

- (i) Correct Daily Imbalances on a deficient segment of Transporter's System. A Shipper may, at its option, achieve the required balance by ceasing or reducing deliveries from deficient segments of Transporter's System or, alternatively, commencing or increasing supply inputs into deficient segments of Transporter's System; provided, however, that Transporter itself always retains the right to curtail deliveries, if necessary for system operations;
- (ii) Correct imbalances on an oversupplied segment of Transporter's system. A Shipper may, at its option, achieve the required balance by ceasing or reducing supply inputs into oversupplied segments of Transporter's System or, alternatively, commencing or increasing deliveries from oversupplied segments of Transporter's System; provided, however, that Transporter itself always retains the right to decline to receive supply, if necessary for system operations;
- (iii) Limit pool transfers or other aspects of pooling;
- (iv) Implement curtailments;
- (v) Such other actions as are within Shipper's control which would tend to alleviate or forestall the situation to be addressed.

(b) Penalties for Failure to Comply. A Shipper may be subject to a penalty for failure to comply with a System Operations Order calculated by multiplying the Shipper's Daily Imbalance times the East Daily Index Price or West Daily Index Price (as appropriate) times the Daily Index Penalty Percentage. The Daily Index Penalty Percentage is based upon a Shipper's Daily Imbalance percentage as indicated in the table in Section 8.2 above.

In the event that, in Transporter's Sole Discretion, actions undertaken pursuant to this Section are insufficient to remedy the situation or there is insufficient time to institute such actions, Transporter shall take such actions as are reasonably necessary to maintain System Operations, deliverability, reliable services and pressurization to all or any segment(s) of its system. Transporter is authorized to use all of the resources of its system to such ends, including line pack and all supply received into Transporter's System.

Transporter shall provide Shipper with notice of System Operations Order(s) at a time and in a manner that is reasonable under the existing or expected conditions. Transporter shall post notices of System Operations Order(s) on Transporter's Internet Web Site and shall make reasonable efforts to notify the employee(s) of Shipper responsible for the then most recent nomination(s). If Transporter provides the original notice telephonically, Transporter shall follow up in a reasonable time with written confirmation.

9. OPERATING CONDITIONS

- 9.1 Shipper shall make all necessary arrangements with other parties at or upstream of Transporter's Point(s) of Receipt where Shipper tenders Gas to Transporter for transportation, and at or downstream of any Point(s) of Delivery at which Transporter redelivers Gas to or for the account of Shipper. Such arrangements shall otherwise meet the terms and conditions herein.
- 9.2 Shipper shall represent and warrant to Transporter in writing that all volumes of Gas delivered to Transporter may be transported under the Applicable Regulations. Furthermore, at Transporter's Sole Discretion and upon request, Shipper shall secure written "on-behalf-of" authorization, in a form satisfactory to Transporter, from an

interstate pipeline or a local distribution company served by an interstate pipeline evidencing that the transportation to be performed hereunder is on such party's behalf under Section 311. Transporter shall not be obligated to perform service hereunder unless and until Shipper has provided such written representation, warranty, and authorization, if requested.

- 9.3 Transporter shall not be required to perform any service hereunder unless all facilities necessary to render the service exist and are in good operating condition.
- 9.4 Shipper shall deliver Gas or cause Gas to be delivered to Transporter at the Point(s) of Receipt at pressure(s) sufficient to allow the Gas to enter Transporter's System as such pressure will vary from time to time. Transporter shall not be required to compress into its pipeline Gas transported hereunder, lower its system operating pressure, alter the direction of Gas flow, the Gas load, or other operations or utilization of its facilities or otherwise change its pipeline operations in order to receive, transport, or deliver Gas hereunder. Unless waived by Transporter, at each Point(s) of Receipt, Shipper shall provide, or cause to be provided, equipment acceptable to Transporter which will prevent overpressuring Transporter's System.
- 9.5 Transporter shall deliver Gas at each Point of Delivery to, or for the account of, Shipper at the prevailing pressures on Transporter's system at each Point of Delivery, which pressures will vary from time to time.

10. DETERMINATION OF RECEIPTS AND DELIVERIES

- 10.1 If one Shipper or more than one Shipper delivers volumes to Transporter at the same point during the same Month under more than one Contract, Transporter shall use such Shipper's or Shippers' working interest, volumetric nominations, and/or any other information available to Transporter to allocate volumes received during that Month at such point. Shipper(s), and not Transporter, shall be responsible for and shall bear any liability for claims made, penalties imposed or judgments obtained by or against Transporter, Shipper, upstream transporters, operators and/or interest owners for imbalances among interests in wells or for imbalances between Shippers at or upstream of Transporter's Point(s) of Receipt.

If Transporter delivers volumes of Gas to one Shipper or more than one Shipper, or for such Shipper's or Shippers' accounts, at the same point during the same Month under more than one Contract, Transporter shall use such Shipper's or Shippers' volumetric nominations and/or any other information available to Transporter to allocate volumes delivered during that Month at such point. Shipper(s), and not Transporter, shall be responsible for and shall bear any liability for claims made, penalties imposed or judgments obtained by or against Transporter, Shipper, downstream transporters, operators and/or interest owners for imbalances between Shippers at or downstream of Transporter's Point(s) of Delivery.

11. MISCELLANEOUS

- 11.1 To the extent Shipper builds facilities which connect with Transporter's System, such interconnecting facilities shall be constructed only with Transporter's approval and under the supervision of Transporter's personnel.
- 11.2 To the extent Transporter builds, acquires, or modifies any facilities in order to transport Shipper's Gas, any such facilities shall be and remain at all times the property of and under the operation of Transporter.
- 11.3 Transporter may waive any rights hereunder or any obligation of Shipper on a non-discriminatory basis, provided, however, that no waiver shall operate or be construed as a waiver of other or future rights or obligations, whether of a like or different character.
- 11.4 The provisions of the General Terms and Conditions, as such provisions may be amended from time to time, are hereby incorporated by reference and made a part hereof and, as though stated herein, shall apply to service rendered hereunder.
- 11.5 Transporter reserves the right to add to, delete or modify any or all provisions of this Statement of Operating Conditions at any time. Any additions, deletions, modifications or other changes made by Transporter to this SOC, including the General Terms and Conditions, shall be filed with the FERC as required by and subject to the Applicable Regulations. Any such additions, deletions, modifications or other changes shall be effective no earlier than thirty (30) Days after filing the changes with the FERC.

- 11.6 Transporter is first and foremost an intrastate pipeline. Therefore, any Section 311 (a) (2) service which Transporter provides will be consistent with and shall not infringe upon its status as a non-jurisdictional intrastate pipeline and shall not subject Transporter to FERC's Natural Gas Act jurisdiction.
- 11.7 This Statement of Operating Conditions and the Transportation Service Request Form may be accessed electronically at Transporter's Internet Web Site or may be requested from Transporter by calling toll free 1-800-552-8048.

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC

EXHIBIT A

TO

Statement of Operating Conditions Applicable to Transportation Services

Fuel Trackers

For The Enable System In Oklahoma

East Zone And West Zone

Effective August 1, 2010

Fixed Fuel Percentages

Enable charges fixed zonal fuel percentages for Gas shipped on the East Zone and West Zone of the Enable System (hereinafter referred to as “the System”). The fuel percentages for each Zone are adjusted annually and are in effect from April 1 through March 31 (the “Fuel Year”). Enable files the fuel percentages and supporting workpapers with the Federal Energy Regulatory Commission (“FERC” or “Commission”) on or before February 28 of the year preceding the Fuel Year (or the next business day if February 28 is a weekend day or holiday) and implements the percentages on April 1 of the Fuel Year. The FERC notices the filing and establishes a deadline for comments or objections from shippers. Enable advises its shippers of the calculated percentages in sufficient time for such shippers to take the new fuel factors into account for their April nominations.

Annual Calculation of the Fuel Percentages

The fuel factors implemented as of April 1 of each Fuel Year reflect for each Zone, (1) the estimated fuel usage for the period April 1 to March 31 of the Fuel Year and (2) true-up adjustments for the prior two Fuel Years. Exhibit A-1, East Zone and Exhibit A-1, West Zone showing the methodology for calculation of the zonal fuel percentages are attached to this Exhibit A.

Enable calculates the fuel percentages for the Fuel Year based on actual experience in each Zone in the twelve Months, February to January, preceding the February 28 filing date. The annual calculations for each Fuel Year will also reflect expected changes for each Zone, if

any, in fuel use and deliveries, including changes attributable to changes in compressor capacity for such year, i.e., additions, retirements, upgrades or reconfigurations. See Exhibits A-1, line 40. To the extent that the estimates of usage and/or deliveries attributable to changes for each Zone prove to have been inaccurate, the following year's zonal true-ups will correct for the overestimation or underestimation.

Dollar Valuation of the Fuel Volumes

The value of fuel retained, actual fuel used and the resulting overrecovery or underrecovery for each Zone will be determined by multiplying the difference between the monthly retained volumes and the monthly actual fuel for each Zone by the corresponding monthly average of "PRICES OF SPOT GAS DELIVERED TO PIPELINES," as published for the first Day of each Month in Platt's Inside FERC Gas Market Report for (1) NGPL, Texok and (2) CenterPoint, East index for the East Zone and for (1) ANR, Okla. and (2) Panhandle, Tx.-Okla. index for the West Zone.

True-Up of the Fuel Percentages

Enable has a very large number of receipt points and, accordingly, must plan for and accommodate a very large number of prior period adjustments. While the great majority of such prior period adjustments are made in the first six months after the Gas flows, experience has shown that these receipt points can generate additional prior period adjustments for up to two Fuel Years. For that reason, Enable reflects two Fuel Years of true-up adjustments in the calculation of the fuel percentages. See Exhibits A-1, lines 42 and 43 and lines 47 and 48. For purposes of the fuel tracker, Enable will ignore prior period adjustments after two years.

The true-up calculations also incorporate the dollar valuation of the fuel volumes.

		MMBTU			VALUE		
		Deliveries	System Fuel	Fuel Retained (Calculated)	NGPL-Texok/ CenterPoint East \$/MMBTU	System Fuel	Fuel Retained (Calculated)
		[a]	[b]	[c]	[d]	[e] [b*d]	[f] [c*d]
20XX ACTUAL							
1	Apr-XX						
2	May-XX						
3	Jun-XX						
4	Jul-XX						
5	Aug-XX						
6	Sep-XX						
7	Oct-XX						
8	Nov-XX						
9	Dec-XX						
10	Jan-XX						
11	Feb-XX						
12	Mar-XX						
13	TOTAL	-	-	-	\$ -	\$ -	\$ -
20XX ACTUAL							
14	Apr-XX						
15	May-XX						
16	Jun-XX						
17	Jul-XX						
18	Aug-XX						
19	Sep-XX						
20	Oct-XX						
21	Nov-XX						
22	Dec-XX						
23	Jan-XX						
24	Feb-XX						
25	Mar-XX						
26	TOTAL	-	-	-	\$ -	\$ -	\$ -

		MMBTU				VALUE	
		Deliveries	System Fuel	Fuel Retained (Calculated)	NYMEX LESS BASIS \$/MMBTU	System Fuel	Fuel Retained (Calculated)
		[a]	[b]	[c]	[d]	[e] [b*d]	[f] [c*d]
20XX ESTIMATED							
27	Apr-XX						
28	May-XX						
29	Jun-XX						
30	Jul-XX						
31	Aug-XX						
32	Sep-XX						
33	Oct-XX						
34	Nov-XX						
35	Dec-XX						
36	Jan-XX						
37	Feb-XX						
38	Mar-XX						
39	TOTAL	-	-	-	\$ -	Avg.	
	20XX FUEL VOLUME (MMBTU)						
40	Estimated inc/(dec) to system fuel for 20XX						Based on expected changes.
41	20XX Estimated Fuel						L. 39, Col. b + L. 40, Col. b
42	20XX Volume True-Up-inc/(dec)						L. 65, Col. a
43	20XX Volume True-Up-inc/(dec)						L. 61, Col. a
44	TOTAL						L. 41 + L. 42 + L. 43
	20XX FUEL %						
45	20XX Estimated Deliveries (mmbtu)						L. 39, Col. a
46	20XX % before true-ups		0.00%				L. 41/L. 45
47	True-Up for 20XX		0.00%				L. 42/L. 45
48	True-Up for 20XX		0.00%				L. 43/L. 45
49	20XX Fuel Recovery Rate		0.00%				L. 46 + L. 47 + L. 48

ANALYSIS OF FUEL RETAINED

	20XX Retainage	Value	
50	Retained for Tracker Year 20XX		PRXX-X-000, Col. a L. 53
51	Retained for Tracker Year 20XX		L. 13, Col. f - L. 50
52	Total		L. 13, Col. f
ANALYSIS OF FUEL RETAINED			
	20XX Retainage		
53	Retained for 20XX		L. 13, Col. e - L. 51
54	Retained for 20XX		L. 26, Col. f + L. 39, Col. f - L. 53
55	Total		L. 26, Col. f + L. 39, Col. f

ANALYSIS OF TRUE-UP		MMBTU	Value	
	20XX True-up	[a]	[b]	
56	20XX Actual Fuel			L. 13, Col.e
57	20XX Retained for 20XX			L. 51
58	20XX Retained for 20XX			L. 53
59	Total Retained for 20XX			L. 57 + L. 58
60	Remaining value to recover for 20XX			L. 56 - L. 59
61	Price adjusted volume to apply in 20XX to recover remaining value			L. 60/ L. 39, Col.d
ANALYSIS OF TRUE-UP				
	20XX True-up			
62	20XX Actual Fuel			L. 26, Col.e + L. 39, Col.e
63	20XX Retained for 2008			L. 54
64	Remaining value to recover for 20XX			L. 62 - L. 63
65	Price adjusted volume to apply in 20XX to recover remaining value			L. 64/ L. 39, Col.d

NOTES:

- 1-P. 1, Column d prices for Nov 20XX through Oct 20XX are the average of actual Inside FERC NGPL-Texok and CenterPoint prices.
- 2-P. 2, Column d prices for 20XX are NYMEX Henry Hub futures prices less a current basis quote as of XX/XX/20XX.

		MMBTU			VALUE		
		Deliveries	System Fuel	Fuel Retained (Calculated)	ANR-Okla./ Panhandle, Tx-Okla.\$/MMBTU	System Fuel	Fuel Retained (Calculated)
		[a]	[b]	[c]	[d]	[e] [b*d]	[f] [c *d]
20XX ACTUAL							
1	Apr-XX						
2	May-XX						
3	Jun-XX						
4	Jul-XX						
5	Aug-XX						
6	Sep-XX						
7	Oct-XX						
8	Nov-XX						
9	Dec-XX						
10	Jan-XX						
11	Feb-XX						
12	Mar-XX						
13	TOTAL	-	-	-	\$ -	\$ -	\$ -
20XX ACTUAL							
14	Apr-XX						
15	May-XX						
16	Jun-XX						
17	Jul-XX						
18	Aug-XX						
19	Sep-XX						
20	Oct-XX						
21	Nov-XX						
22	Dec-XX						
23	Jan-XX						
24	Feb-XX						
25	Mar-XX						
26	TOTAL	-	-	-	\$ -	\$ -	\$ -

		MMBTU				VALUE	
		Deliveries	System Fuel	Fuel Retained (Calculated)	NYMEX LESS BASIS \$/MMBTU	System Fuel	Fuel Retained (Calculated)
		[a]	[b]	[c]	[d]	[e] [b*d]	[f] [c*d]
20XX ESTIMATED							
27	Apr-XX						
28	May-XX						
29	Jun-XX						
30	Jul-XX						
31	Aug-XX						
32	Sep-XX						
33	Oct-XX						
34	Nov-XX						
35	Dec-XX						
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39	TOTAL	-	-	-	\$ -	Avg.	
	20XX FUEL VOLUME (MMBTU)						
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43	20XX Volume True-Up-inc/(dec)						L. 61, Col. a
44	TOTAL						L. 41 + L. 42 + L. 43
	20XX FUEL %						
45	20XX Estimated Deliveries (mmbtu)						L. 39, Col. a
46	20XX % before true-ups		0.00%				L. 41/L. 45
47	True-Up for 20XX		0.00%				L. 42/L. 45
48	True-Up for 20XX		0.00%				L. 43/L. 45
49	20XX Fuel Recovery Rate		0.00%				L. 46 + L. 47 + L. 48

ANALYSIS OF FUEL RETAINED

	20XX Retainage	Value	
50	Retained for Tracker Year 20XX		PRXX-X-000, Col. a L. 53
51	Retained for Tracker Year 20XX		L. 13, Col. f - L. 50
52	Total		L. 13, Col. f
ANALYSIS OF FUEL RETAINED			
	20XX Retainage		
53	Retained for 20XX		L. 13, Col. e - L. 51
54	Retained for 20XX		L. 26, Col. f + L. 39, Col. f - L. 53
55	Total		L. 26, Col. f + L. 39, Col. f

ANALYSIS OF TRUE-UP		MMBTU	Value	
	20XX True-up	[a]	[b]	
56	20XX Actual Fuel			L. 13, Col.e
57	20XX Retained for 20XX			L. 51
58	20XX Retained for 20XX			L. 53
59	Total Retained for 20XX			L. 57 + L. 58
60	Remaining value to recover for 20XX			L. 56 - L. 59
61	Price adjusted volume to apply in 20XX to recover remaining value			L. 60/ L. 39, Col.d
ANALYSIS OF TRUE-UP				
	20XX True-up			
62	20XX Actual Fuel			L. 26, Col.e + L. 39, Col.e
63	20XX Retained for 2008			L. 54
64	Remaining value to recover for 20XX			L. 62 - L. 63
65	Price adjusted volume to apply in 20XX to recover remaining value			L. 64/ L. 39, Col.d

NOTES:

- 1-P. 1, Column d prices for Nov 20XX through Oct 20XX are the average of actual Inside FERC ANR-Okla.and Panhandle, Tx.-Okla. prices.
- 2-P. 2, Column d prices for 20XX are NYMEX Henry Hub futures prices less a current basis quote as of XX/XX/20XX.

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC

EXHIBIT B

TO

Statement of Operating Conditions Applicable to Transportation Services

**RATE SUMMARY FOR SECTION 311
FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE**

In accordance with Section 284.123(b)(2) of the FERC’s regulations, as revised by Order No. 714, Transporter hereby provides the following rate summary:

Maximum Rates Per MMBtu

Firm Section 311 East Zone (Demand)	Firm Section 311 West Zone (Demand)	Interruptible Section 311 East Zone (Commodity)	Interruptible Section 311 West Zone (Commodity)
\$0.1800	\$0.0954	\$0.1800	\$0.1071

Minimum Rates Per MMBtu

Firm Section 311 East Zone (Demand)	Firm Section 311 West Zone (Demand)	Interruptible Section 311 East Zone (Commodity)	Interruptible Section 311 West Zone (Commodity)
\$0.00	\$0.00	\$0.00	\$0.00

Fuel Percentages for April 1, 2016 through March 31, 2017¹

East Zone	West Zone
2.12%	1.27%

Fuel Percentages for April 1, 2017 through March 31, 2018

East Zone	West Zone
0.68%	1.15%

¹ The tariff record reflecting the fuel percentages for the April 1, 2016 through March 31, 2017 Fuel Year was approved under the Commission’s optional notice procedure in Docket No. PR16-31-000 effective April 1, 2016.

**GENERAL TERMS AND CONDITIONS
FOR STATEMENT OF
OPERATING CONDITIONS**

of

ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC

**TERMS AND CONDITIONS FOR
STATEMENT OF
OPERATING CONDITIONS OF
ENABLE OKLAHOMA INTRASTATE TRANSMISSION, LLC**

1.	DEFINITIONS.....	1
2.	QUALITY.....	3
3.	MEASUREMENT AND TESTS.....	5
4.	WARRANTY AND INDEMNIFICATION.....	9
5.	FORCE MAJEURE	9
6.	GOVERNMENTAL RULES, REGULATIONS AND AUTHORIZATIONS.....	11
7.	BILLINGS AND PAYMENT	11
8.	CREDITWORTHINESS	14
9.	CHOICE OF LAW	16
10.	EEOC COMPLIANCE	16
11.	MISCELLANEOUS	16
12.	DESCRIPTIVE HEADINGS.....	17

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

In addition to the definitions of terms contained in Transporter's Statement of Operating Conditions Applicable to Transportation Services ("SOC"), which are incorporated by reference, and except in those certain instances where the context expressly states another meaning, the following terms, when used in these General Terms and Conditions or in the Statement of Operating Conditions, Contract or other agreement into which these General Terms and Conditions are incorporated, shall have the following meanings:

- A. "Btu" shall mean British Thermal Unit and, where appropriate, shall mean the plural thereof. One (1) Btu shall mean one British Thermal Unit, and is defined as the quantity of heat required to raise the temperature of one (1) pound of pure water from fifty-eight & five-tenths (58.5) degrees Fahrenheit to fifty-nine and five-tenths (59.5) degrees Fahrenheit at a constant pressure of fourteen & seventy-three hundredths pounds per square inch absolute (14.73 psia). The term "MMBtu" shall mean one million (1,000,000) Btu.
- B. "Cubic Foot or Standard Cubic Foot" shall have the meaning ascribed in Section 4.1. The term "Mcf" shall mean one thousand (1,000) standard Cubic Feet of Gas.
- C. "Day" shall mean a period of twenty-four (24) consecutive hours beginning at 9:00 a.m. Central Clock Time.
- D. "Delivery", "deliver", or "delivered" shall refer to the physical transfer of possession of Gas from Transporter to Shipper or Shipper's carrier.
- E. "Equivalent Quantities" shall mean the sum of the volumes of Gas measured in MMBtu received by Transporter for the account of Shipper during any given period of time, reduced by Shipper's share of fuel and adjusted for any variations in Btu content. It is the intent of the parties that the volumes of Gas delivered for the account of Shipper be the thermal equivalent of the volumes of Gas received by Transporter for transportation, as so adjusted.

- F. “Gas” and “Natural Gas” shall mean natural gas as produced in its natural state, whether or not stored or processed prior to receipt or delivery, and that meets the respective quality standards for receipt and delivery contained in Section 2 (Quality).
- G. “Heating Value” shall mean, the number of Btu’s produced by the complete combustion, at a constant pressure, of the amount of Gas which would occupy a volume of one (1) Cubic Foot at a temperature of sixty (60) degrees Fahrenheit if saturated with water vapor and at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia) and under standard gravitational force (acceleration 980.655 centimeters per second, per second), with air of the same temperature and pressure as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air and when the water formed by combustion is condensed to the liquid state; provided, however, if the Gas as received or delivered contains seven (7) pounds of water vapor or less per one million (1,000,000) standard Cubic Feet, such Gas shall be assumed to be dry.
- H. “Month” shall mean a period of time beginning at 9:00 a.m. Central Clock Time on the first (1st) Day of a calendar Month and extending to 9:00 a.m. Central Clock Time on the first (1st) Day of the following calendar Month.
- I. “Normal Operating Range of an Orifice Meter Station” shall mean the flow range from the minimum flowrate of a single meter tube to the maximum combined flowrate of all meter tubes installed in the meter station which does not require an orifice plate change.
- J. “p.s.i.g.” shall mean pounds per square inch gauge. “p.s.i.a.” shall mean pounds per square inch absolute.
- K. “Receipt”, “Receive”, or “Received” shall refer to the physical transfer of possession of Gas from Shipper or Shipper’s carrier to Transporter.

- L. “Secondary Measurement Equipment” shall mean pressure and temperature sensing and recording equipment.
- M. “Thermal Content” shall mean the aggregate number of Btu contained in that volume, when applied to any volume of Gas.
- O. “Transporter’s Internet Web Site” shall mean Transporter’s electronically accessible site.

2. QUALITY

2.1 Gas tendered to Transporter for transportation must meet the quality specification in this Section 2.1 or such more stringent standards as may be required at any Point(s) of Delivery. Gas received by Transporter and delivered to Shipper under a Contract, including the Statement of Operating Conditions, shall meet the minimum quality specifications below:

- A. The Gas shall in no event have in excess of seven (7) pounds of water vapor per million (1,000,000) standard Cubic Feet of Gas.
- B. The Gas shall be free of objectionable liquids and solids and other impurities, including, but not limited to, methanol, and shall be commercially free from dust, gum, gum-forming constituents, free water and other liquids and solids.
- C. The Gas shall not at any time have an oxygen content in excess of ten (10) parts per million by volume and the parties hereto shall make every reasonable effort to keep the Gas free of oxygen.
- D. The Gas shall not contain more than one quarter (0.25) grain of hydrogen sulfide per one hundred (100) standard Cubic Feet (four (4) parts per million by volume).
- E. The Gas shall not contain more than 5 grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) standard Cubic Feet.

- F. The Gas shall not contain mercaptans in excess of one-quarter (.25) grain per one hundred standard Cubic Feet.
- G. The Gas shall not have a carbon dioxide content in excess of two (2) percent by volume.
- H. The Gas shall not contain more than three (3) percent nitrogen by volume.
- I. The Gas shall have a total heating value per Cubic Foot of not less than nine hundred seventy-five (975) Btu or more than one thousand eighty (1,080) Btu.
- J. The Gas shall not have a hydrocarbon dew point of more than forty (40) degrees Fahrenheit (the hydrocarbon dew point shall be calculated at 600 psig).
- K. The Gas shall be received at a temperature not in excess of one hundred twenty (120) degrees Fahrenheit and not less than forty (40) degrees Fahrenheit.
- L. The Gas must be interchangeable with the Gas in Transporter's system at the Point(s) of Receipt.

2.2 If, at any time, Gas tendered for receipt shall fail to conform to any of the quality specifications set forth above, Transporter may, at its Sole Discretion, refuse to accept receipt of such Gas. Transporter shall notify Shipper of the deficiency as soon as possible after its occurrence. Such notice may be by any reasonable means, including, but not limited to, electronic mail, facsimile transmission and/or telephone, including voice messages. Transporter may elect to bill Shipper for all further costs for related Gas testing to confirm that any such deficiency has been corrected.

2.3 Transporter has the right to charge Shipper for all costs and expenses, including but not limited to, costs related to clean up and/or remediation, associated with the receipt of Gas that does not conform with the quality specifications for Gas to be received by Transporter as set forth in this Section.

- 2.4 Transporter's acceptance of non-conforming Gas without invoking its rights set forth in Sections 2.2 or 2.3 shall not constitute any continuing waiver of Transporter's rights to require compliance or application of Transporter's rights as set forth herein.

3. MEASUREMENT AND TESTS

The measurement of Gas at the Point(s) of Receipt and Point(s) of Delivery shall be in accordance with the following provisions:

- 3.1 For all of the purposes of the SOC, a standard Cubic Foot of Gas shall be that quantity which occupies one Cubic Foot of space at a temperature of sixty (60) degrees Fahrenheit and at a pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. The volumes of Gas received and delivered hereunder shall be measured and computed in accordance with methods prescribed by the American Gas Association. Installation of new measurement facilities, whether by Transporter or Shipper, shall be in accordance with the latest and approved version of the applicable American Gas Association's standards.
- 3.2 The total heating value of the Gas in Btu per Cubic Foot and the specific gravity received and delivered hereunder shall be determined from a sample of Gas taken by means of a composite sampler, a spot sample, a Gas chromatograph, or any other method in general use in the Gas industry. The recorded average specific gravity to the nearest one thousandth (0.001), obtained while Gas is being received and/or delivered, shall be the applicable specific gravity of Gas for the period under consideration.
- 3.3 Transporter shall make reasonable efforts to collect spot samples from a flowing Gas stream during normal business hours. In the event that Transporter's attempts to coordinate spot sampling are unsuccessful, Transporter shall use the most recently available Gas sample information.
- 3.4 Transporter, in its Sole Discretion, may elect to discontinue Gas sampling at Point(s) of Receipt or Point(s) of Delivery that have been continuously inactive for sixty (60) consecutive Days.

- 3.5 If, at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or determination of factors used in such Gas measurement, such new method or technique may, in Transporter's Sole Discretion, be substituted for the Gas measurement method or technique set forth herein.
- 3.6 Transporter may, at its Sole Discretion, install computers, transducers and other associated sensing devices to accomplish the accurate measurement of Gas received and/or delivered.
- 3.7 It is recognized that all facilities necessary to measure Gas at Point(s) of Receipt and Point(s) of Delivery have been or will be installed and in operation as of the date of first delivery of Gas to Transporter hereunder. Unless otherwise agreed, Transporter shall install, maintain and operate all facilities and equipment for the accurate measurement of the Gas received, transported and delivered hereunder. Shipper shall have access to the measuring equipment at all reasonable times, but readings, calibrations and adjustments thereof, and changing of charts, shall be done by Transporter unless otherwise agreed.
- 3.8 Upon written permission from Transporter, Shipper may, at its option, install, maintain and operate such new, additional or revised equipment, including check measuring and signal sharing equipment, as it may desire, at its own expense, and provided that such equipment is installed so as not to interfere with the custody measurement equipment of Transporter. Equipment installed by Shipper and not authorized in writing by Transporter may be removed by Transporter, at Shipper's expense. Each party shall have the right of access, at all reasonable times when Gas is being received or delivered, to the measuring equipment installed by the other party. The calibrating and adjusting of Transporter's measuring equipment and changing of meter charts on Transporter's meters shall be done only by Transporter and the calibrating and adjusting of Shipper's measuring equipment and changing of meter charts on its check meters shall be performed only by Shipper. Transporter, upon written request by Shipper, or Shipper, upon request by Transporter, shall mail or deliver to the other all meter charts and/or records used in measurement of Gas received and delivered hereunder during any specified period for which charts and/or records are required to be retained as hereinafter

provided, but such charts and/or records shall be mailed or returned to Transporter or Shipper, as the case may be, within thirty (30) Days after their receipt. Transporter's Check Measurement Agreement form shall be available upon request.

- 3.9 Each party shall have the right to be present at the time of any scheduled installation, testing, cleaning, changing, repairing, inspection, calibration or adjusting of measuring equipment of the other party used in measurement of Gas received and delivered hereunder.
- 3.10 All measuring equipment shall be installed in such a manner as to permit an accurate determination of the quantity of Gas received or delivered and ready verification of the accuracy of measurement. The parties shall exercise reasonable care in the installation, maintenance and operation of check measuring, pressure regulating equipment, Gas compressors or other related equipment so as to prevent inaccuracy in the determination of the quantity of Gas being measured. Shipper shall control flow rates such that measurement of the Gas quantity is within the Normal Operating Range of the Orifice Meter Station. Transporter shall size the orifice plate such that the flow-dependent average monthly flow rate falls within the Normal Operating Range of the Orifice Meter Station. In its Sole Discretion, Transporter may elect to not provide volumetric adjustments pursuant to Section 3.13 for flow exceeding the differential pressure instrument's range or for flows resulting in damage to orifice plates. When Transporter determines that pulsation problems or other measurement inaccuracies exist, in addition to any remedies otherwise available to it, Transporter shall have the right to require Shipper or other third parties to install and continuously operate and maintain pulsation dampening equipment and/or to regulate Gas flows in a manner which would prevent or eliminate such problems or inaccuracies within thirty (30) business Days of notification by Transporter. Following notice to the affected parties and pending the correction of the problem, measurement based on charts or meters at any such affected points for system operating purposes shall be made in a manner which reasonably adjusts or compensates for the inaccuracy identified.

- 3.11 The accuracy of the measuring equipment at each Point(s) of Receipt and each Point(s) of Delivery shall be verified at intervals not exceeding one (1) year and at such other times as may be requested by Shipper or Transporter, and if any such verification shall be requested by Shipper or Transporter and the measuring equipment is found to measure Gas quantities within two percent (2%) accuracy, the expense of such verification shall be borne by the party requesting verification.
- 3.12 Transporter may elect to discontinue regular verification of measurement equipment accuracy at Point(s) of Receipt or Point(s) of Delivery that have been continuously inactive for sixty (60) Days. Following the discontinuation of measurement equipment accuracy verification at a Point of Receipt or Point of Delivery, Shipper must provide three (3) business Days notice prior to Transporter's subsequent receipt or delivery of Gas at such Point of Receipt or Point of Delivery.
- 3.13 If, upon test, the measuring equipment measures Gas quantities within two percent (2%) accuracy at any Point(s) of Receipt or Point(s) of Delivery, previous readings of such equipment after the last preceding test shall be considered correct, but the equipment shall be adjusted to record accurately. However, even if the inaccuracy is less than two percent (2%), if the volume discrepancy is quantifiable and exceeds 250 MMBtu, the volumes shall be adjusted appropriately. If, at the Point(s) of Receipt or Point(s) of Delivery, upon any test, the measuring equipment measures Gas quantities with an inaccuracy requiring adjustment, or if at any time the measuring equipment should be out of service or not registering, Gas received or delivered through the period during which the measuring equipment was registering inaccurately or was out of service or not registering shall be estimated and agreed upon by use of the first of the following methods which may be applicable:
- A. By using the registration of any check measuring equipment installed by either party if registering accurately; or
 - B. By computing error if percentage of error is ascertainable by calibration, test or mathematical calculation; or

C. By estimating the quantity received or delivered and/or its thermal content by reference to actual receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately. If the period during which the measuring equipment at the Point(s) of Receipt or Point(s) of Delivery had been registering inaccurately or had been out of service or not registering is not definitely known or agreed upon, correction shall be made for the last half of the time elapsed since the measuring equipment was previously tested and found to accurately measure Gas within two percent (2%). All corrections made as above provided shall be made to zero error.

3.14 The charts and/or records from the measuring equipment shall remain the property of the party owning the measuring equipment and shall be kept on file for a period of not less than two (2) years.

4. WARRANTY AND INDEMNIFICATION

4.1 Each party hereby warrants to the other that at the time of receipt or delivery of Gas hereunder, it will have the right to receive or deliver, as the case may be, such Gas, and that such Gas shall be free and clear of all liens and adverse claims; and each party agrees, with respect to the Gas received or delivered by it, to indemnify the other party against all suits, actions, debts, accounts, damages, costs (including reasonable attorney fees), losses and expenses arising from or out of any adverse claim of any and all persons to or against said Gas while that party has responsibility for the Gas.

5. FORCE MAJEURE

5.1 In the event of either party being rendered unable, wholly or in part, by reason of force majeure to carry out its obligations under the Contract (other than the obligation to make payment of amounts due hereunder), it is agreed that such party shall give notice and reasonably full particulars of such force majeure by electronic mail, facsimile transmission or in writing to the other party within a reasonable time after the occurrence of the cause relied on, and the obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of any

inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

- 5.2 The parties' obligations hereunder shall also be suspended during the continuance of any force majeure situation to the extent such force majeure conditions prevent delivery of Gas for Shipper's account.
- 5.3 The term, "force majeure", as employed herein shall mean acts of God; strikes, lockouts, or other industrial disturbances; conditions arising from a change in governmental laws, orders, rules, or regulations; acts of public enemy; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of governments and people; civil disturbances; explosions; breakage or accident to machinery or lines of pipe; the necessity for making repairs, tests, alterations, or performing maintenance to machinery or lines of pipe; freezing of wells or lines of pipe; partial or entire failure of wells or treating facilities; and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension, and which by the exercise of due diligence, such party is unable to prevent or overcome. Such term shall likewise include: (a) those instances where either Transporter or Shipper is required to obtain servitudes, rights-of-way, grants, permits or licenses to enable such party to fulfill its obligations under the Contract; the inability of such party to acquire or the delays on the part of such party in acquiring, at reasonable costs, and after the exercise of reasonable diligence, such servitudes, rights-of-way, grants, permits, or licenses, and (b) those instances where either Transporter or Shipper is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is required to secure permits or permissions from any governmental agency to enable such party to fulfill its obligations under the Contract, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable costs, and after the exercise of reasonable diligence, such material and supplies, permits and permissions.
- 5.4 It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the

settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

- 5.5 Notwithstanding the foregoing, it is specifically understood and agreed by the parties hereto that force majeure shall in no way terminate the parties' obligations to balance those volumes of Gas received and delivered hereunder.

6. GOVERNMENTAL RULES, REGULATIONS AND AUTHORIZATIONS

- 6.1 This Statement of Operating Conditions is subject to all valid orders, laws, rules and regulations of duly constituted governmental authorities having jurisdiction or control over the parties, their facilities or Gas supplies, this Statement of Operating Conditions or any provisions hereof. If at any time during the period of transportation of Gas hereunder, any such governmental authority shall take or threaten to take any action, directly or indirectly, whereby the receipt, transportation and delivery of Gas as contemplated hereunder shall be proscribed or possibly subjected to terms, conditions, restraints or regulations, including without limitation by enumeration, rate or price controls or ceilings that, in the sole judgment of the party affected, would be adverse or unduly burdensome to that party, such party may, upon written notice, cancel and terminate the Contract, including the Statement of Operating Conditions, without further liability hereunder except for payment for services provided hereunder prior to such cancellation and termination.
- 6.2 The parties agree to timely file and prosecute all applications, statements and notices with any governmental regulatory authority having appropriate and applicable jurisdiction.

7. BILLINGS AND PAYMENT

- 7.1 On or about the tenth (10th) Day of each Month after delivery of Gas has commenced hereunder, Transporter shall render to Shipper a statement for the preceding Month setting forth the total quantity of Gas, and the Btu content thereof, at the Point(s) of Receipt and Point(s) of Delivery which was received and delivered, respectively, the amount due Transporter by Shipper for the transportation or other applicable services

performed hereunder and such other information sufficient to explain and support any adjustments made by Transporter in determining the amount billed.

- 7.2 Shipper shall pay Transporter the amount due on the later of the twenty-fifth (25th) Day of the Month following the Month of production or (i) fifteen (15) Days after the date of the invoice described in Section 8.1; or (ii) fifteen (15) Days after the date of any other invoice Transporter renders. In the event Shipper fails to timely pay Transporter according to this Section, Transporter will assess and Shipper shall pay an interest charge equal to one and one-half percent (1.5%) per Month on the unpaid balance. Further, in the event Shipper fails to timely pay Transporter according to this Section, Transporter may, in its Sole Discretion, suspend all transportation of Gas pursuant to Section 7.6.
- 7.3 Under Firm Contracts for which demand charges are applicable, Transporter will submit an invoice to Shipper for demand charges during the Month preceding the Month to which such demand charges apply. Payment of such invoices shall be due on the latter of (i) the 25th day of the Month in which such invoice is received or (ii) fifteen (15) Days after the receipt of the invoice (the "Demand Payment Date"). Shipper shall pay the full amount of the demand charges set forth on the invoice on or before the Demand Payment Date. In the event that Shipper does not make timely payment of demand charges on or before the Demand Payment Date as required by this Section 7.3, Transporter may exercise all of its rights available at law and pursuant to the Firm Contract. In the event Shipper fails to timely pay Transporter according to this Section, Transporter will assess and Shipper shall pay an interest charge equal to one and one-half percent (1.5%) per Month on the unpaid balance.
- 7.4 All parties hereto shall have the right at any and all reasonable times to examine the books and records of the other party to the extent necessary to verify the accuracy of any statement, charge, computation or demand made under or pursuant to a Contract, including the Statement of Operating Conditions. The parties agree to schedule such audits in advance and at mutually agreeable times. Within thirty (30) Days following any such audit, the auditing party shall notify the audited party of the results of such audit and specifically, whether the accuracy of any statement, charge, computation or demand will

be challenged. Such books and records shall be kept for not less than two (2) years following the month the charge was billed or the credit issued (“Exception Period”). All charges and credits shall be conclusively deemed to be correct and accurate unless written exception is taken to specific charges or credits within the Exception Period. All charges and credits beyond the Exception Period and not subject to written exception are considered final and not subject to review or adjustment with regard to any such statement, charge, computation or demand was made under or pursuant to a Contract, including the SOC. In the event the examination of either party’s records requires disclosure of confidential third party agreements, the auditing party shall use the services of an independent third party auditor who shall be required to keep the terms of such third party agreements confidential and shall disclose confidential information only to the extent necessary to render the audit. Any requested disclosure of confidential information to the auditing party must be submitted to the audited party for approval. The cost of any independent third party auditor shall be borne by the auditing party.

- 7.5 Shipper agrees to reimburse Transporter for all taxes that may be levied upon and/or paid by Transporter, with respect to the transportation services rendered hereunder.
- 7.6 If Shipper in good faith disputes any amount billed hereunder, Shipper shall not be required to pay interest in accordance with Sections 7.2 and 7.3 on any such amount that is ultimately determined to be in error; provided, however, interest shall be due if such amount billed is found not to be in error. Shipper shall pay when due the full amount of the invoice, including the amount in dispute, and Transporter shall refund with interest any disputed amount that ultimately is determined to be in error. If Shipper fails to pay any amount due hereunder, Transporter may, in addition to exercising any other rights it may have under the Contract, under the SOC, at law, or in equity, suspend service, including deliveries of Gas, subject to Transporter providing forty-eight (48) hours written notice of such intention to suspend. Transporter may, without waiving any other rights or remedies it may have, withhold further delivery until such payment or security is received or take whatever steps it deems necessary, in its sole judgment, to insure that non-payment of invoices by Shipper does not occur, including but not limited to, termination of Shipper’s Contract. In the event Transporter pursues collection on late

payment, Shipper shall be liable for any and all expenses and costs, including court costs and reasonable attorney fees, incurred as a result of such failure to timely pay.

- 7.7 Transporter may set off any amount owed by Transporter to Shipper under any Contract(s) against the amount owed by Transporter or any affiliate of Transporter under any Contract(s) and any other agreements.

8. CREDITWORTHINESS

- 8.1 To establish and maintain creditworthiness with Transporter, Shipper shall maintain an investment grade credit rating, and Shipper shall otherwise demonstrate to Transporter's satisfaction the ability to meet its financial obligations hereunder. An "investment grade credit rating" means a long-term senior unsecured non-credit enhanced debt rating of: at least BBB- from Standard & Poor's Rating Group (a division of McGraw-Hill Inc.) or its successor ("S&P") or "Baa3" from Moody's Investor Services, Inc. or its successor ("Moody's"), in either case with a short-term and long-term outlook or credit watch of stable or positive. If Shipper is rated by S&P and Moody's, the lower credit rating will apply.
- 8.2 Transporter shall not be required to commence service or to continue to provide service under a Contract with any Shipper that:
- A. Is or has become insolvent;
 - B. Has voluntarily commenced a case or proceeding or the filing of any petition under any bankruptcy, insolvency or similar law seeking dissolution, liquidation or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business; or to effect a plan or other arrangement with its creditors; or has filed an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition filed against it in any bankruptcy, insolvency or similar case or proceeding, has been adjudicated as bankrupt, has made a general assignment for the benefit of creditors or has consented to, or acquiesced in the appointment of, a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property,

assets or business or has taken corporate action for the purpose of effectuating any of the foregoing; or

- C. Has been the subject of the commencement of involuntary proceedings or the filing of an involuntary petition against Shipper under any bankruptcy, insolvency or similar law seeking the dissolution, liquidation, or reorganization of Shipper, or the appointment of a receiver, trustee, custodian or liquidator for Shipper, or of a substantial part of the property, assets or business of Shipper, or the issuance or levy of any writ, judgment, warrant or attachment, execution or similar process against a substantial part of the property, assets, or business of Shipper; or
- D. Fails to establish and maintain creditworthiness with Transporter; or
- E. Fails to provide Adequate Assurances.

8.3 If Shipper fails to establish or maintain creditworthiness with Transporter, Shipper may be required by Transporter to provide adequate assurances. "Adequate Assurances" shall mean a cash prepayment, a guaranty or an irrevocable standby letter of credit, from a financial institution in a form acceptable to Transporter in its reasonable Sole Discretion, as may be requested by Transporter, in an amount equal to three (3) Months of service at the full Maximum Daily Quantity (or, for interruptible Shippers, an amount equal to three (3) Months of estimated service based on historical or projected usage, as determined by Transporter in its reasonable Sole Discretion), plus any other required monthly fees, plus an amount equal to the highest imbalance payment accrued in one (1) Month during the previous twelve (12) consecutive Months. Shipper must deliver to Transporter the Adequate Assurances within three (3) business Days of receipt of Transporter's written request, make payment in full within three (3) business Days of receipt of Transporter's written request for all amounts due from Shipper under any Contract(s) and any other agreements between Transporter and Shipper including netting arrangements, and maintain such Adequate Assurances until Shipper can establish creditworthiness with Transporter. If Shipper fails to provide Adequate Assurances upon request, Transporter may, in addition to exercising any other rights it may have under the Contract, under the SOC, at law, or in equity, immediately suspend service, including deliveries of Gas.

9. CHOICE OF LAW

- 9.1 The interpretation and performance under Shipper's Contract, and the Statement of Operating Conditions and these General Terms and Conditions shall be in accordance with the laws of the State of Oklahoma, excluding any conflict of law principle that might refer such interpretation and performance to the laws of another jurisdiction. With respect to any cause of action associated directly or indirectly with the terms and conditions of a Contract and the Statement of Operating Conditions, the parties agree and consent to the exclusive jurisdiction of the federal or state courts sitting in the State of Oklahoma, and acknowledge proper venue to be in either state or federal court located in Oklahoma County, Oklahoma, and hereby waive any defenses or objections thereto; provided, however, that Transporter may agree to permit a court with jurisdiction to decide venue as to a specific matter or matters.

10. EEOC COMPLIANCE

- 10.1 To the extent applicable, each party hereby respectively warrants that it is in compliance with, and during the term hereof will remain in compliance with, all applicable laws, executive orders and acts concerning equal opportunity employment and wage and hours regulations.

11. MISCELLANEOUS

- 11.1 As between the parties hereto, Shipper shall be deemed to be in exclusive control and in possession of the Gas prior to such Gas being received hereunder by Transporter at the Point(s) of Receipt and responsible for any damages, losses or injuries caused thereby, except for injuries and damages which shall be occasioned solely and proximately by the negligent acts or omissions of Transporter. After Shipper delivers or causes Gas to be delivered to Transporter at the Point(s) of Receipt, Transporter shall be deemed to be in exclusive control and possession of such Gas, and responsible for any injuries or damages caused thereby, until it is redelivered to Shipper or for the account of Shipper at the Point(s) of Delivery, except injuries and damages which shall be occasioned solely and proximately by the negligent acts or omissions of Shipper following such redelivery. At the Point(s) of Delivery, Shipper shall thereafter be deemed to be in exclusive control and

possession of such Gas and responsible for any injuries or damages caused thereby, except injuries and damages which shall be occasioned solely and proximately by the negligent acts or omissions of Transporter.

12. DESCRIPTIVE HEADINGS

- 12.1 The descriptive headings of the provisions of Shipper's Contract and of this SOC, including these General Terms and Conditions are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any such provision.