



January 6, 2012

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

**Gas Transmission Northwest LLC**  
717 Texas Street, Suite 2400  
Houston, Texas 77002-2761

John A. Roscher  
Director, Rates & Tariffs

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Re: Gas Transmission Northwest LLC  
Amendment  
Docket No. RP12-254-

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,<sup>1</sup> Gas Transmission Northwest LLC (“GTN”) hereby submits for filing certain tariff sections<sup>2</sup> to be part of its FERC Gas Tariff, Fourth Revised Volume No. 1-A (“Tariff”). These substitute tariff sections, included at Appendix A, are being submitted to amend tariff sections previously submitted in Docket No. RP12-254-000 and not yet approved by the Commission, as further described below. GTN requests that the Commission accept the proposed tariff sections to be effective January 1, 2012.

The names, titles, mailing address, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

<sup>1</sup> 18 C.F.R. Part 154 (2011).

<sup>2</sup> Specifically, GTN is submitting 4.6 – Statement of Rates, Negotiated Rate Agreements-FTS-1 and LFS-1 (“Section 4.6”), and 4.7 – Statement of Rates, Footnotes for Negotiated Rates- FTS-1 and LFS-1 (“Section 4.7”).

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Manager, Tariffs and Compliance  
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\* Persons designated for official service pursuant to Rule 2010.

### Statement of the Nature, Reasons and Basis for Filing

On December 20, 2011, in Docket No. RP12-254-000 (“December 20 Filing”), GTN submitted to the Commission revised tariff Sections 4.6 and 4.7 to report a negotiated rate transaction GTN had entered into with Pacific Gas & Electric Company (“PG&E”). Additionally, as a housekeeping measure, the December 20 Filing deleted expired negotiated rate agreements from Section 4.6, and the related inactive explanatory footnotes from Section 4.7. It has come to GTN’s attention that the December 20 Filing inadvertently deleted a negotiated rate agreement from Section 4.6, along with that agreement’s explanatory footnote from Section 4.7, that is currently an active agreement.<sup>3</sup>

By the instant filing, GTN is amending the December 20 Filing with substitute Sections 4.6 and 4.7, which accurately reflect the currently active negotiated rate agreements and associated explanatory footnotes in Sections 4.6 and 4.7, respectively. GTN respectfully requests that the Commission accept substitute Sections 4.6 and 4.7 to be effective January 1, 2012, which date coincides with the effective date of the PG&E negotiated rate arrangement.

### Effective Date and Request for Waiver

GTN respectfully requests that the Commission approve the substitute tariff sections included at Appendix A to be effective January 1, 2012. GTN respectfully requests the Commission grant

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<sup>3</sup> The currently active Rate Schedule FTS-1 agreement (F-08612) is between GTN and Coral Energy Resources, LP, for 20,000 Dth/d.

all waivers of its regulations necessary to accept this filing and approve the tariff sections to be effective as requested herein.

#### Other Filings Which May Affect This Proceeding

On December 20, 2011, in Docket No. RP12-254-000, GTN submitted to the Commission revised Sections 4.6 and 4.7, which filing is currently pending before the Commission.

#### Contents of Filing

In accordance with Section 154.7 of the Commission's regulations and Order No. 714,<sup>4</sup> GTN is submitting the following XML filing package, which includes:

- 1) This transmittal letter;
- 2) The clean substitute tariff sections (Appendix A); and
- 3) The marked substitute tariff sections (Appendix B).

#### Certificate of Service

As required by Sections 154.7 (b) and 154.208 of the Commission's regulations, copies of this filing are being served on all of GTN's existing customers and interested state regulatory agencies. A copy of this letter, together with the other attachments, is available during regular business hours for public inspection at GTN's principal place of business.

Pursuant to Section 385.2005 and Section 385.2011, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. The undersigned possesses full power and authority to sign such filing.

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<sup>4</sup> Electronic Tariff Filings, 124 FERC ¶ 61,270 (2008) ("Order No. 714").

Any questions regarding this filing may be directed to Joan Collins at (832) 320-5651.

Respectfully submitted,

GAS TRANSMISSION NORTHWEST LLC

A handwritten signature in black ink that reads "John A. Roscher". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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John A. Roscher  
Director, Rates & Tariffs

Enclosures

# Appendix A

## Gas Transmission Northwest LLC *FERC Gas Tariff, Fourth Revised Volume No. 1-A*

### Clean Tariff

<b><u>Tariff Section</u></b>	<b><u>Version</u></b>
4.6 - Statement of Rates, Negotiated Rate Agreements - FTS-1 and LFS-1	v.3.1.0
4.7 - Statement of Rates, Footnotes for Negotiated Rates - FTS-1 and LFS-1	v.4.1.0

STATEMENT OF EFFECTIVE RATES AND CHARGES  
FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULES FTS-1 AND LFS-1

<u>SHIPPER</u>	<u>TERM OF CONTRACT</u>	<u>RATE SCHEDULE</u>	<u>DTH/D</u>	<u>PRIMARY RECEIPT POINT</u>	<u>PRIMARY DELIVERY POINT</u>	<u>RATE /2 /3</u>
Avista Corporation /1	11/1/01 - 10/31/25	FTS-1	20,000	Medford	Medford Ext. Meter	/7
Coral Energy Resources, LP /1	04/1/03 - /10	FTS-1	20,000	Malin	Kingsgate	/10
Pacific Gas and Electric Co. /1	01/01/12 - 05/31/14	FTS-1	50,000	Kingsgate	Malin	/4

STATEMENT OF EFFECTIVE RATES AND CHARGES  
FOR TRANSPORTATION OF NATURAL GAS

Negotiated Rate Agreements Under Rate Schedules FTS-1 and LFS-1

Explanatory Footnotes for Negotiated Rates  
under Rate Schedules FTS-1 and LFS-1

- /1 This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.
- /2 Unless otherwise noted, all Shippers pay GTN's maximum Reservation Charge, Delivery Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.
- /3 Index Price References: Unless otherwise noted, references to "Daily Index Price" shall mean the price survey midpoint for the specified point as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the next available Gas Daily publication. Unless otherwise noted, the references to the "NGI FOM" for a specified point shall mean Natural Gas Intelligence's First of Month Bid Week Survey (Supplement to NGI's Weekly Gas Index) Spot Gas Price for the specified point.
- /4 The Maximum LTF Settlement Rate, as filed on October 31, 2007, in the Stipulation and Agreement of Settlement in Docket No. RP06-407-000 ("Settlement"), and approved by the Federal Energy Regulatory Commission on January 7, 2008, applies to the remaining initial term of contract F-10526 beyond the "Moratorium," as that term is defined in Article V.A.1 of the Settlement.
- /5 Reserved
- /6 Reserved
- /7 The Reservation charge shall be equal to the rate set forth in GTN's FERC Gas Tariff identified as FTS-1 E-2 (WWP), or its successor, multiplied by the appropriate Effective Period Percentage as shown in the following table.

Effective Period	Percentage
11/1/01-10/31/02	75%
11/1/02-10/31/03	80%
11/1/03-10/31/04	85%
11/1/04-10/31/05	90%
11/1/05-10/31/06	95%
11/1/06-10/31/25	100%

The Daily Delivery Charge shall be equal to the 100% load factor equivalent of the FTS-1 E-2 rate, or its successor, and shall be multiplied by the positive difference between (a) volumes delivered and (b) the contract MDQ times the appropriate Effective Period Percentage.

Daily Delivery Charge = [Dth Delivered - (MDQ \* Effective Period %)] \* 100% Load Factor Equivalent FTS-1 E-2

/8 Reserved

/9 Reserved

/10 The Reservation Rate shall be \$0.02/Dth applied to the MDQ of the Agreement. In addition to the Reservation Rate, Coral shall pay commodity charges based on the actual gas transported. The Commodity Rate shall be redetermined daily and will equal (the Gas Daily Midpoint Price for PG&E, Malin minus the Gas Daily Midpoint Price for Stanfield, Ore. minus an Allowance for GTN Fuel minus \$0.004356/Dth minus ACA of \$0.0018/Dth minus \$0.02/Dth) multiplied by 50%.

The Allowance for GTN Fuel shall be determined daily by the following expression:

The Gas Daily Midpoint Price for Stanfield, Ore. multiplied by the applicable fuel and line loss percentage for the actual path utilized to transport gas.

In the event that the index for Stanfield, Ore. and/or PG&E, Malin are not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index.

In the event that the index price for Stanfield, Ore. and/or PG&E, Malin are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Coral will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement No. 08612 will terminate on the seventh day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.

This Agreement shall become effective April 1, 2003, and shall continue in full force and effect through April 30, 2003 and month to month thereafter, with either party having the right to terminate the Agreement, upon no less than 7 days notice to the other, given prior to the first day of any subsequent month.

/11 Reserved

/12 Reserved

/13 Reserved

/14 Reserved

/15 Reserved

/16 Reserved

/17 Reserved

/18 Reserved

# Appendix B

## Gas Transmission Northwest LLC *FERC Gas Tariff, Fourth Revised Volume No. 1-A*

### Marked Tariff

<b><u>Tariff Section</u></b>	<b><u>Version</u></b>
4.6 - Statement of Rates, Negotiated Rate Agreements - FTS-1 and LFS-1	v.3.1.0
4.7 - Statement of Rates, Footnotes for Negotiated Rates - FTS-1 and LFS-1	v.4.1.0

STATEMENT OF EFFECTIVE RATES AND CHARGES  
 FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULES FTS-1 AND LFS-1

<u>SHIPPER</u>	<u>TERM OF CONTRACT</u>	<u>RATE SCHEDULE</u>	<u>DTH/D</u>	<u>PRIMARY RECEIPT POINT</u>	<u>PRIMARY DELIVERY POINT</u>	<u>RATE /2 /3</u>
Avista Corporation /1	11/1/01 - 10/31/25	FTS-1	20,000	Medford	Medford Ext. Meter	/7
Coral Energy Resources, LP /1	04/1/03 - /10	FTS-1	20,000	Malin	Kingsgate	/10
<del>Powerex Corp. /1</del>	<del>11/1/09 - 10/31/10</del>	<del>FTS-1</del>	<del>20,000</del>	<del>Kingsgate</del>	<del>Malin</del>	<del>/13</del>
<del>EDF Trading North America, LLC /1</del>	<del>04/1/10 - 03/31/11</del>	<del>FTS-1</del>	<del>100,000</del>	<del>Kingsgate</del>	<del>Malin</del>	<del>/17</del>
<del>EDF Trading North America, LLC /1</del>	<del>06/1/10 - 10/31/10</del>	<del>FTS-1</del>	<del>50,000</del>	<del>Kingsgate</del>	<del>Malin</del>	<del>/18</del>
<u>Pacific Gas and Electric Co. /1</u>	<u>01/01/12 - 05/31/14</u>	<u>FTS-1</u>	<u>50,000</u>	<u>Kingsgate</u>	<u>Malin</u>	<u>/4</u>

STATEMENT OF EFFECTIVE RATES AND CHARGES  
FOR TRANSPORTATION OF NATURAL GAS

Negotiated Rate Agreements Under Rate Schedules FTS-1 and LFS-1

Explanatory Footnotes for Negotiated Rates  
under Rate Schedules FTS-1 and LFS-1

- /1 This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.
- /2 Unless otherwise noted, all Shippers pay GTN's maximum Reservation Charge, Delivery Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.
- /3 Index Price References: Unless otherwise noted, references to "Daily Index Price" shall mean the price survey midpoint for the specified point as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the next available Gas Daily publication. Unless otherwise noted, the references to the "NGI FOM" for a specified point shall mean Natural Gas Intelligence's First of Month Bid Week Survey (Supplement to NGI's Weekly Gas Index) Spot Gas Price for the specified point.
- /4 ~~The Maximum LTF Settlement Rate, as filed on October 31, 2007, in the Stipulation and Agreement of Settlement in Docket No. RP06-407-000 ("Settlement"), and approved by the Federal Energy Regulatory Commission on January 7, 2008, applies to the remaining initial term of contract F-10526 beyond the "Moratorium," as that term is defined in Article V.A.1 of the Settlement. Reservation Rate shall be \$0.08/Dth/day. The Delivery Rate shall be \$0.02/Dth/day inclusive of ACA. Fuel shall be reimbursed in kind at the applicable monthly percentage as posted on GTN's Internet website.~~
- /5 ~~Reserved~~The Reservation Rate shall be \$0.025/Dth/day. Each day, the Delivery Rate (inclusive of ACA) shall apply on a tiered basis as follows:
- |                  |            |
|------------------|------------|
| First 5,000 Dth  | \$0.02/Dth |
| Second 5,000 Dth | \$0.05/Dth |
- /6 ~~Reserved~~The Reservation Rate shall be \$0.02/Dth/day. The Delivery Rate shall be \$0.02/Dth/day inclusive of ACA. Fuel shall be reimbursed in kind at the applicable monthly percentage as posted on GTN's Internet website.
- /7 The Reservation charge shall be equal to the rate set forth in GTN's FERC Gas Tariff identified as FTS-1 E-2 (WWP), or its successor, multiplied by the appropriate Effective Period Percentage as shown in the following table.

Effective Period	Percentage
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11/1/01-10/31/02	75%
11/1/02-10/31/03	80%
11/1/03-10/31/04	85%
11/1/04-10/31/05	90%
11/1/05-10/31/06	95%
11/1/06-10/31/25	100%

The Daily Delivery Charge shall be equal to the 100% load factor equivalent of the FTS-1 E-2 rate, or its successor, and shall be multiplied by the positive difference between (a) volumes delivered and (b) the contract MDQ times the appropriate Effective Period Percentage.

Daily Delivery Charge = [Dth Delivered - (MDQ \* Effective Period %)] \* 100% Load Factor Equivalent FTS-1 E-2

/8 Reserved

/9 Reserved

/10 The Reservation Rate shall be \$0.02/Dth applied to the MDQ of the Agreement. In addition to the Reservation Rate, Coral shall pay commodity charges based on the actual gas transported. The Commodity Rate shall be redetermined daily and will equal (the Gas Daily Midpoint Price for PG&E, Malin minus the Gas Daily Midpoint Price for Stanfield, Ore. minus an Allowance for GTN Fuel minus \$0.004356/Dth minus ACA of \$0.0018/Dth minus \$0.02/Dth) multiplied by 50%.

The Allowance for GTN Fuel shall be determined daily by the following expression:

The Gas Daily Midpoint Price for Stanfield, Ore. multiplied by the applicable fuel and line loss percentage for the actual path utilized to transport gas.

In the event that the index for Stanfield, Ore. and/or PG&E, Malin are not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index.

In the event that the index price for Stanfield, Ore. and/or PG&E, Malin are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Coral will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement No. 08612 will terminate on the seventh day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.

This Agreement shall become effective April 1, 2003, and shall continue in full force and effect through April 30, 2003 and month to month thereafter, with either party having the right to terminate the Agreement, upon no less than 7 days notice to the other, given prior to the first day of any subsequent month.

/11 ~~Reserved~~ Index Rate Calculation.

~~The per Dth Reservation Rate shall be determined daily and will equal [the Gas Daily Midpoint Price (The Gas Daily Midpoint Price is the price survey midpoint for PG&E, Malin and Stanfield, OR as applicable as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the last published Gas Daily publication prior to the weekend or holiday.) for PG&E, Malin minus the Gas Daily Midpoint Price for Stanfield, OR, minus the sum of the following]:~~

- ~~(1) an allowance for the per Dth cost of GTN system fuel.~~
- ~~(2) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS-1 Tariff for the volumes transported, multiplied by the distance transported.~~
- ~~(3) an allowance for ACA of \$0.0018/Dth.~~

~~The allowance for GTN System fuel shall be computed as follows:~~

~~The Gas Daily Midpoint Price for Stanfield, OR multiplied by  $\{[1.0/(1.0 - \text{the GTN System fuel rate})] - 1.0\}$ , where the GTN System fuel rate equals GTN's applicable mileage-based fuel rate multiplied by the mileage of the path of the gas transported.~~

Reservation Rate.

~~On any day when the foregoing Index Rate calculation produces a result less than \$0.06/Dth, the Reservation Rate shall be deemed to be \$0.02/Dth. On any day when the foregoing Index Rate calculation produces a result greater than or equal to \$0.06/Dth and less than or equal to \$0.10/Dth, the Reservation Rate shall be deemed to be equal to the calculated per Dth Reservation Rate minus \$0.04/Dth. On any day when the foregoing Index Rate calculation produces a result greater than \$0.10/Dth, the Reservation Rate shall be equal to six cents (\$0.06) plus eighty percent (80%) of the difference between the result of the Index Rate Calculation and ten cents (\$0.10). To determine the Index Rate calculation applicable to volumes not nominated or scheduled, the Stanfield, OR to Malin, OR mileage will be applied to the calculation's mileage-based components.~~

Other Charges.

~~In addition to the Reservation Rate as calculated herein, Eagle Energy Partners shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA~~

~~charge as applicable under GTN's FTS-1 Tariff. Eagle Energy Partners shall provide fuel in kind in accordance with GTN's FTS-1 Tariff.~~

~~Renegotiate Request.~~

~~In the event that the indices for PG&E, Malin and/or Stanfield, OR are not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index. In the event that the indices for PG&E, Malin and/or Stanfield, OR are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Eagle Energy Partners will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10628 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.~~

/12 ~~Reserved~~ Index Rate Calculation.

~~The per Dth Reservation Rate shall be determined daily and will equal (the Gas Daily Midpoint Price [Gas Daily Daily Midpoint Price is the price survey midpoint for PG&E, Malin and Kingsgate, BC as applicable as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the last published Gas Daily publication prior to the weekend or holiday.] for PG&E, Malin minus the Gas Daily Midpoint Price for Kingsgate, BC, minus the sum of the following):~~

- ~~(1) an allowance for the per Dth cost of GTN system fuel.~~
- ~~(2) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS-1 Tariff for the volumes transported, multiplied by the distance transported.~~
- ~~(3) an allowance for ACA of \$0.0018/Dth.~~

~~The allowance for GTN System fuel shall be computed as follows:~~

~~The Gas Daily Midpoint Price for Kingsgate, BC multiplied by  $\{[1.0/(1.0 - \text{the GTN System fuel rate})] - 1.0\}$ , where the GTN System fuel rate equals GTN's applicable mileage based fuel rate multiplied by the mileage of the path of the gas transported.~~

~~Reservation Rate.~~

~~On any day when the foregoing Index Rate Calculation produces a result less than \$0.06/Dth, the Reservation Rate shall be deemed to be \$0.02/Dth. On any day when the foregoing Index Rate Calculation produces a result greater than or equal to \$0.06/Dth and less than or equal to \$0.10/Dth, the Reservation Rate shall be deemed to be equal to the~~

~~calculated per Dth Reservation Rate minus \$0.04/Dth. On any day when the foregoing Index Rate calculation produces a result greater than \$0.10/Dth, the Reservation Rate shall be equal to six cents (\$0.06) plus eighty per cent (80%) of the difference between the result of the Index Rate Calculation and ten cents (\$0.10). To determine the Index Rate Calculation applicable to volumes not nominated or scheduled, the Kingsgate, BC to Malin, OR mileage will be applied to the calculation's mileage-based components.~~

~~Other Charges:~~

~~In addition to the Reservation Rate as calculated herein, Eagle Energy Partners shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA charge as applicable under GTN's FTS-1 Tariff. Eagle Energy Partners shall provide fuel in kind in accordance with GTN's FTS-1 Tariff.~~

~~Renegotiation Request:~~

~~In the event that the indices for PG&E, Malin is not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index. In the event that the indices for PG&E, Malin is not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Eagle Energy Partners will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10738 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination. In the event that the indices for Kingsgate, BC are not published on any given day (other than a weekend or a holiday), prices will be determined based on the TCPL Alberta, AECO-C price, converted to U.S. dollars using the currency conversion factor printed in Gas Daily for the applicable day, plus \$0.12/dth.~~

/13 ~~Reserved~~The per Dth Reservation Rate shall be determined daily and will equal 50% x (the Gas Daily Midpoint Price (The Gas Daily Daily Midpoint Price is the price survey midpoint for PG&E, Malin and TCPL Alberta, AECO-C as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the most recently available Gas Daily publication.) for PG&E, Malin minus the Gas Daily Midpoint Price for TCPL Alberta, AECO-C minus the sum of the following):

- ~~(1) an allowance for the per Dth cost of upstream transportation.~~
- ~~(2) an allowance for the per Dth cost of GTN and Foothills B.C. system fuel.~~
- ~~(3) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS-1 Tariff for the volumes transported, multiplied by the distance transported.~~

~~(4) an allowance for ACA of \$0.0018/Dth or other such rate as may be approved by FERC during the term of this Agreement to reflect its Annual Charge Adjustment.~~

For the purposes of the above Reservation Rate calculation:

~~The allowance for upstream transportation shall be calculated as the sum of the 100% load factor equivalent rates in effect on the day of flow for Foothills B.C. System FT Service and the TransCanada Alberta System FT D service, converted to U.S. dollars per Dth using the U.S./Canadian dollar conversion rate as quoted in Gas Daily for the day of flow, a conversion rate of 1.055056 GJ per Dth, and a heat value of 37.8 MJ/cubic meter; and~~

~~The allowance for GTN and Foothills B.C. System fuel shall be computed as the Gas Daily Midpoint Price for TCPL Alberta, AECO-C (expressed in \$U.S./Dth), multiplied by  $\{[1.0 / (1.0 - \text{the GTN System fuel rate})] \text{ multiplied by } [1.0 / (1.0 - \text{the Foothills Zone 8 fuel rate})] \text{ minus } 1.0\}$ , where the GTN System fuel rate equals GTN's applicable mileage-based fuel rate multiplied by the mileage of the path of the gas transported.~~

~~On any day when the foregoing Reservation Rate calculation produces a result less than \$0.04/Dth, the Reservation Rate shall be deemed to be \$0.04/Dth. To determine the Index Rate calculation applicable to volumes not nominated or scheduled, the Kingsgate to Malin mileage will be applied to the calculation's mileage-based components.~~

~~In addition to the Reservation Rate as calculated herein, Powerex shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA charge as applicable under GTN's FTS-1 Tariff. Powerex shall provide fuel in kind in accordance with GTN's FTS-1 Tariff.~~

~~In the event that the indices for PG&E, Malin and/or TCPL Alberta, AECO-C are not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index. In the event that the indices for PG&E, Malin and/or TCPL Alberta, AECO-C are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Powerex will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10849 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.~~

~~At any time within the last five business days of any month prior to a month that this Agreement is in effect, the parties may, by mutual consent, modify the Reservation Rate to a fixed rate for all or a portion of the Maximum Delivered Quantity for the next month or~~

~~for the remainder of the Contract Term. Neither GTN nor Powerex shall be obligated to accept a renegotiated fixed rate based upon discounted or negotiated rates in effect or offered to other shippers.~~

~~/14 ReservedThe Reservation Rate shall be \$0.02/Dth/day. The Delivery Rate shall be \$0.03/Dth inclusive of ACA. Fuel shall be reimbursed in kind at the applicable monthly percentage as posted on GTN's Internet website.~~

~~/15 Reserved~~

~~/16 ReservedThe allowance for fuel shall be redetermined daily and shall be the product of GTN's applicable fuel and line loss percentage for the path of actual volumes transported multiplied by the commodity value of gas provided in kind by the shipper. The commodity value of gas provided in kind shall equal the Gas Daily Midpoint Price for NOVA, AECO-C plus \$0.20.~~

~~/17 ReservedThe charges for this service will have two components.~~

~~(1) Fixed rate reservation charge component of \$0.05/Dth applied on a daily basis to the Maximum Delivered Quantity.~~

~~(2) Sharing Spread Component: On days when the Spread Calculation formula yields a value greater than \$0.10/Dth as determined below, the difference between the results of the Spread Calculation formula and \$0.10/Dth shall be shared equally between GTN and EDF Trading.~~

~~The per Dth Spread Calculation shall be determined daily and will equal (the Gas Daily Midpoint Price [Gas Daily Midpoint Price is the price survey midpoint for PG&E, Malin and Kingsgate, BC as applicable as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the last published Gas Daily publication prior to the weekend or holiday.] for PG&E, Malin minus the Gas Daily Midpoint Price for Kingsgate, BC, minus the sum of the following):~~

~~(1) an allowance for the per Dth cost of GTN system fuel.~~

~~(2) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS-1 Tariff for the volumes transported, multiplied by the distance transported.~~

~~(3) an allowance for ACA of \$0.0018/Dth.~~

~~The allowance for GTN System fuel shall be computed as follows:~~

~~The Gas Daily Midpoint Price for Kingsgate, BC multiplied by {[1.0/(1.0 the GTN System fuel rate)] minus 1.0}, where the GTN System fuel rate equals GTN's~~

~~applicable mileage-based fuel rate multiplied by the mileage of the path of the gas transported.~~

~~Other Charges.~~

~~In addition to the Reservation Rate as calculated herein, EDF Trading shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA charge as applicable under GTN's FTS-1 Tariff. EDF Trading shall provide fuel in kind in accordance with GTN's FTS-1 Tariff.~~

~~Renegotiation Request.~~

~~In the event that the indices for PG&E, Malin or Kingsgate, BC are not published on any given day (other than a weekend or holiday), prices will be determined based on the average of last published information for such indices and the next published information for such indices. In the event that the indices for PG&E, Malin or Kingsgate, BC are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiations Request"). Upon such Renegotiation Request, GTN and EDF Trading will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10880 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.~~

/18 ReservedThe charges for this service will be as follows:

~~Index Rate Calculation.~~

~~The per Dth Reservation Rate shall be determined daily and will equal (the Gas Daily Midpoint Price [Gas Daily Midpoint Price is the price survey midpoint for PG&E, Malin and Kingsgate, BC as applicable as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the last published Gas Daily publication prior to the weekend or holiday.] for PG&E, Malin minus the Gas Daily Midpoint Price for Kingsgate, BC, minus the sum of the following):~~

- ~~(1) an allowance for the per Dth cost of GTN system fuel.~~
- ~~(2) an allowance for the per Dth cost of delivery of volumes on the GTN System equal to the maximum delivery rate applicable under GTN's FTS-1 Tariff for the volumes transported, multiplied by the distance transported.~~
- ~~(3) an allowance for ACA of \$0.0018/Dth.~~

~~The allowance for GTN System fuel shall be computed as follows:~~

~~The Gas Daily Midpoint Price for Kingsgate, BC multiplied by  $\{[1.0/(1.0 - \text{the GTN System fuel rate})] - 1.0\}$ , where the GTN System fuel rate equals GTN's applicable mileage-based fuel rate multiplied by the mileage of the path of the gas transported.~~

#### ~~Reservation Rate.~~

~~On any day when the foregoing Index Rate Calculation produces a result less than \$0.06/Dth, the Reservation Rate shall be deemed to be \$0.02/Dth. On any day when the foregoing Index Rate Calculation produces a result greater than or equal to \$0.06/Dth and less than or equal to \$0.10/Dth, the Reservation Rate shall be deemed to be equal to the calculated per Dth Reservation Rate minus \$0.04/Dth. On any day when the foregoing Index Rate calculation produces a result greater than \$0.10/Dth, the Reservation Rate shall be equal to six cents (\$0.06) plus eighty per cent (80%) of the difference between the result of the Index Rate Calculation and ten cents (\$0.10). To determine the Index Rate Calculation applicable to volumes not nominated or scheduled, the Kingsgate, BC to Malin, OR mileage will be applied to the calculation's mileage-based components.~~

#### ~~Other Charges.~~

~~In addition to the Reservation Rate as calculated herein, EDF Trading shall pay the Delivery Rate for volumes transported equal to the maximum delivery rate, plus the ACA charge as applicable under GTN's FTS-1 Tariff. EDF Trading shall provide fuel in kind in accordance with GTN's FTS-1 Tariff.~~

#### ~~Renegotiation Request.~~

~~In the event that the indices for PG&E, Malin or Kingsgate, BC are not published on any given day (other than a weekend or holiday), prices will be determined based on the average of last published information for such indices and the next published information for such indices. In the event that the indices for PG&E, Malin or Kingsgate, BC are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and EDF Trading will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement F-10881 will terminate on the fifteenth day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.~~