



# FAYETTEVILLE EXPRESS PIPELINE LLC

May 23, 2025

Ms. Debbie-Anne A. Reese, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

RE: Fayetteville Express Pipeline LLC  
Docket No. RP25-\_\_\_\_\_  
Updates Related to GT&C Section 36

Dear Ms. Reese:

Fayetteville Express Pipeline LLC ("FEP") submits herewith for filing with the Federal Energy Regulatory Commission ("Commission") the following revised tariff records to its FERC NGA Gas Tariff, First Revised Volume No. 1, proposed to become effective on July 1, 2025.

<u>Version</u>	<u>Description</u>	<u>Title</u>
1.0.0	1.	Definitions
4.0.0	36.	Periodic Fuel Gas Reimbursement Adjustment

## STATEMENT OF NATURE, REASONS AND BASIS

Section 36 of the General Terms and Conditions ("GT&C") of FEP's Tariff provides that FEP will file a Periodic Rate Adjustment of the Reimbursement Percentages applicable to the recovery of Fuel Gas, Lost and Unaccounted For Gas ("LUAF"), and any Booster Compression Fuel, if applicable. FEP is proposing to revise GT&C Section 36.5 to replace the Deferred Component of the Periodic Rate Adjustment with an Annual Fuel Reimbursement Surcharge. An Annual Fuel Reimbursement Surcharge will be calculated for each Reimbursement Percentage (Fuel Gas, LUAF and Booster Compression Fuel, if applicable) by dividing the balance four (4) months prior to December 1 of the applicable deferred subaccounts by FEP's projected receipt quantities transported under Rate Schedules FTS, ITS and HAT for the recovery period. FEP is not proposing to change the method of calculation of the Current Component set forth in GT&C Section 36.4.

FEP's proposed changes track the fuel reimbursement mechanisms in certain of its affiliates' FERC Gas Tariffs.<sup>1</sup> These Commission-approved fuel reimbursement mechanisms consist of a current component and an annual fuel reimbursement surcharge. FEP revising its fuel mechanism to more closely track affiliated pipeline's fuel mechanisms will aid in simplifying the administration of FEP's semi-annual fuel filings. For instance, FEP's new Annual Fuel Reimbursement Surcharge eliminates the valuation of the adjustments to the deferral subaccounts based on the AMIP (Average Monthly Index Price) for the relevant period that was formerly in GT&C Section 36.5(c)(4). Instead, the Annual Fuel Reimbursement Surcharge takes the volume in the deferred subaccounts and calculates it as an in-kind volumetric percentage.

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<sup>1</sup> Trunkline Gas Company, LLC, FERC NGA Gas Tariff, Forth Revised Volume No. 1, GT&C Section 22; Panhandle Eastern Pipe Line Company, LP, FERC NGA Gas Tariff Forth Revised Volume No. 1, GT&C Section 24; Sea Robin Pipeline Company, LLC, FERC NGA Gas Tariff, Third Revised Volume No. 1, GT&C Section 27; Rover Pipeline LLC, FERC NGA Gas Tariff, Original Volume No. 1, GT&C Section 21.

Along with the administrative ease of using a fuel mechanism similar to its affiliates, FEP is making the revision to its Periodic Rate Adjustment mechanism based on recent operational experiences on its system. Since 2022, FEP's monthly receipt quantities have been zero Dekatherms, and FEP does not anticipate any throughput in the near term.<sup>2</sup> While the absence of throughput has resulted in 0% fuel reimbursement percentages, the deferred component of the fuel reimbursement percentages has continued to accumulate due to carrying charges on the deferred subaccounts. It is unnecessary to have the deferred subaccounts continue to increase in the absence of the possibility of collecting in the near future. FEP's proposed Annual Fuel Reimbursement Surcharge does not include carrying charges. Therefore, the Annual Fuel Reimbursement Surcharge in the next periodic filing should be zero as FEP does not project any throughput on its system in the near term.

Additionally, with the proposed revisions to GT&C Section 36.5, GT&C Section 1, Definitions, is being modified to remove the reference to GT&C Section 36 calculations from the definition of "Average Monthly Index Price (AMIP)".

## **IMPLEMENTATION AND WAIVER REQUEST**

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, FEP requests that the proposed tariff records be accepted effective July 1, 2025. FEP respectfully requests the Commission grant any waivers of its Regulations that it deems necessary to allow the proposed tariff records in this filing to become effective on July 1, 2025.

## **CONTENTS OF THE FILING**

This filing is made in electronic format in compliance with Section 154.4 of the Commission's Regulations. The proposed tariff records in RTF format with metadata attached are being submitted as part of an XML filing package containing the following:

- A transmittal letter in PDF format;
- A clean version of the proposed tariff records in PDF format;
- A marked version of the proposed tariff changes in PDF format; and
- A copy of the complete filing in PDF format for publishing in eLibrary.

## **COMMUNICATIONS, PLEADINGS AND ORDERS**

All correspondence and communications concerning this filing should be served on each of the following persons:

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<sup>2</sup> See, e.g., *Fayetteville Express Pipeline LLC*, Letter Order issued May 21, 2025, Docket No. RP25-856-000.

Ms. Debbie-Anne A. Reese, Secretary  
Federal Energy Regulatory Commission  
May 23, 2025  
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In accordance with Section 154.208(d) of the Commission's Regulations, a copy of this filing is available for public inspection during regular business hours at FEP's office at 1300 Main Street, Houston, Texas 77002. In addition, copies of this filing are being electronically served on jurisdictional customers and interested state regulatory commissions. FEP has posted this filing on its Internet website accessible via <https://feptransfer.energytransfer.com> under Informational Postings, Regulatory.

Pursuant to Section 385.2011(c)(5) of the Commission's Regulations, 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 this filing.

Respectfully submitted,

FAYETTEVILLE EXPRESS PIPELINE LLC

**/s/ Lawrence J. Biediger**

Lawrence J. Biediger  
Sr. Director, Rates and Regulatory Affairs

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<sup>3</sup> Designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. FEP respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow FEP to include additional representatives on the official service list.

<sup>4</sup> Designated as responsible Company official under Section 154.7(a)(2) of the Commission's regulations.

## 1. DEFINITIONS

### **AGREEMENT**

"Agreement" shall mean an agreement subject to, as applicable, Rate Schedule FTS, ITS, PALS or HAT.

### **AUTHORIZED OVERRUN GAS**

"Authorized Overrun Gas" shall mean those quantities of Gas nominated and confirmed for transportation by Shipper on any Day in excess of its currently effective Contract and/or Point MDQ, to the extent such Gas is scheduled under Section 6 of these General Terms and Conditions.

### **AVERAGE MONTHLY INDEX PRICE (AMIP)**

"Average Monthly Index Price" or "AMIP" for each calendar Month shall be determined as follows:

$$\text{AMIP} = \text{INDEX} \times (100\% / (100\% - \text{FUEL})) + \text{COMM}$$

Where:

INDEX = the price published in Platts' monthly "Gas Daily Price Guide" in the table entitled "Midpoint Averages, (Month)" for NGPL, Texok zone (or the superseding reference if the publication titling is revised);

FUEL = NGPL's transportation fuel retention factor (in %) for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone minus NGPL's transportation fuel retention factor (in %) for receipts in the Gulf Coast Mainline Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current FERC natural gas tariff;

COMM = NGPL's minimum ITS commodity rate for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current natural gas tariff.

If the monthly price for the above location is no longer published by Gas Daily, the equivalent price in the Intelligence Press Publication "NGI's Bidweek Survey", under the column labeled "avg." in the table entitled "(Month Year) Cumulative" will be used to determine the AMIP.

In the event that any index referenced above is unavailable or if the indices in the aggregate do not meet FERC requirements as to liquidity, FEP will post that information in its Interactive Website and shall discontinue use of that referenced index in computing the Average Monthly Index Price. During any period when an index is unavailable, FEP shall compute the Average Monthly Index Price using the published index prices that remain available. If any index remains unavailable for sixty (60) Days, FEP shall make a limited tariff filing pursuant to Section 4 of the Natural Gas Act requesting Commission authorization to adopt an appropriate replacement index to use in the computation of the Average Monthly Index Price. FEP will consult with Shippers at any time when the referenced index is not to be used and a replacement index is used. Shippers may protest FEP's filing with the Commission during this proceeding.

### **AVERAGE WEEKLY INDEX PRICE OR AWIP**

“Average Weekly Index Price” or “AWIP” shall mean for any week the average of the two prices determined as follows:

- (a) A price defined as:

$$\text{INDEX} \times (100\% / (100\% - \text{FUEL})) + \text{COMM}$$

Where:

INDEX = the price published in Platts' "Gas Daily" in the table entitled "Weekly weighted average prices" for NGPL, Texok zone (or the superseding reference if the publication titling is revised);

FUEL = NGPL's transportation fuel retention factor (in %) for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone minus NGPL's transportation fuel retention factor (in %) for receipts in the Gulf Coast Mainline Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current FERC natural gas tariff;

COMM = NGPL's minimum ITS commodity rate for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current natural gas tariff.

- (b) The price published in Platts' "Gas Daily" in the table entitled "Weekly weighted average prices" for Texas Gas, Zone 1 (or the superseding reference if the publication titling is revised);

If the weekly price for one or both of the above locations is no longer published by Gas Daily, the equivalent prices in the Intelligence Press publication "Weekly Gas Price Index", under the column labeled "avg." in the table entitled "Spot Gas Prices" will be used to determine the prices to be averaged for both locations.

In the event that any index referenced above is unavailable or if the indices in the aggregate do not meet FERC requirements as to liquidity, FEP will post that information in its Interactive Website and shall discontinue use of that referenced index in computing the Average Weekly Index Price. During any period when an index is unavailable, FEP shall compute the Average Weekly Index Price using the published index prices that remain available. If any index remains unavailable for sixty (60) Days, FEP shall make a limited tariff filing pursuant to Section 4 of the Natural Gas Act requesting Commission authorization to adopt an appropriate replacement index to use in the computation of the Average Weekly Index Price. FEP will consult with Shippers at any time when the referenced index is not to be used and a replacement index is used. Shippers may protest FEP's filing with the Commission during this proceeding.

### **BOOSTER COMPRESSION**

"Booster Compression" shall mean compression installed by FEP to facilitate the receipt of Gas into its system if applicable.

### **BOOSTER COMPRESSION FUEL**

"Booster Compression Fuel" means only the thermal equivalent of that quantity of Gas actually used or incurred by FEP on an incremental basis where Booster Compression is installed, to effect the transportation of Gas hereunder from the Receipt Points to the Delivery Points, consistent with Section 36 of these General Terms and Conditions.

### **BUSINESS DAY**

Monday through Friday, 8:00 a.m. to 4:30 p.m. Central Clock Time excluding Federal Banking Holidays.

### **CONTRACT MDQ**

"Contract MDQ" is the MDQ of Gas that FEP is obligated to transport and deliver to Shipper and Shipper is entitled to receive as specified in an Agreement, except for Authorized Overrun Gas, subject to the provisions of Sections 3 and 4 of these General Terms and Conditions.

### **DAILY INDEX PRICE OR DIP**

"Daily Index Price" or "DIP" shall mean for any Day the average of the two prices determined as follows for such Day, using flow date and quantity data as shown for the following indices:

(a) A price defined as:

$$\text{INDEX} \times (100\% / (100\% - \text{FUEL})) + \text{COMM}$$

Where:

INDEX = the price published in Platts' "Gas Daily" under the column labeled "Midpoint" in the table entitled "Daily price survey (\$/MMBtu)" for NGPL, Texok zone (or the superseding reference if the publication titling is revised);

FUEL = NGPL's transportation fuel retention factor (in %) for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone minus NGPL's transportation fuel retention factor (in %) for receipts in the Gulf Coast Mainline Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current FERC natural gas tariff;

COMM = NGPL's minimum ITS commodity rate for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current natural gas tariff.

(b) The price published in Platts' "Gas Daily" under the column labeled "Midpoint" in the table entitled "Daily price survey (\$/MMBtu)" for Texas Gas, zone 1 (or the superseding reference if the publication titling is revised).

If the daily price for one or both of the above locations is no longer published by Gas Daily, the equivalent prices in the Intelligence Press publication "NGI's Daily Gas Price Index", under the column labeled "avg." in the table entitled "(Month) Cash Market Prices" will be used to determine the prices to be averaged for both locations.

In the event that any index referenced above is unavailable or if the indices in the aggregate do not meet FERC requirements as to liquidity, FEP will post that information in its Interactive Website and shall discontinue use of that referenced index in computing the Daily Index Price. During any period when an index is unavailable, FEP shall compute the Daily Index Price using the published index prices that remain available. If any index remains unavailable for sixty (60) days, FEP shall make a limited tariff filing pursuant to Section 4 of the Natural Gas Act requesting Commission authorization to adopt an appropriate replacement index to use in the computation of the Daily Index Price. FEP will consult with Shippers at any time when the referenced index is not to be used and a replacement index is used. Shippers may protest FEP's filing with the Commission during this proceeding.

## **DAY OR GAS DAY**

"Day" or "Gas Day" shall mean 9 a.m. to 9 a.m. (Central Clock Time)..

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## **DELIVERY POINT**

The term "Delivery Point" shall mean any Point at which FEP delivers to or for the account of Shipper Gas which has been transported by FEP under any Rate Schedule in this Tariff, as specified in an Agreement, or a Point at which Gas is delivered to Shipper pursuant to a Request Order under Rate Schedule PALS or as applicable to service under such Agreement by operation of this Tariff.

## **DTH**

The term "Dth" shall mean one million (1,000,000) Btus and is equivalent to one (1) MMBtu.

## **EDI**

The term "EDI" shall mean Electronic Data Interchange.

## **EQUIVALENT VOLUMES**

"Equivalent Volumes" shall mean the sum of the quantities of Gas measured in Dth received by FEP for the account of a Shipper at the Receipt Points during any given period of time: (a) reduced by (i) that Shipper's share of Fuel Gas and Lost and Unaccounted For Gas, Booster Compression Fuel if applicable and (b) adjusted for any variations in Btu content, as corrected for any water vapor in excess of five (5) pounds per million (1,000,000) cubic feet of Gas, it being the intent of the parties that the quantities of Gas delivered hereunder at the Delivery Point after transportation be the thermal equivalent of the quantities of Gas delivered at the Receipt Point for transportation, after reduction, correction and adjustment as provided above. In determining Equivalent Volumes for redelivery, FEP shall formulate a thermal balance evaluating inputs to, and deliveries from, the System at least once each Month. Fuel Gas, Booster Compression Fuel and Lost and Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions.

## **FERC**

"FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which were exercisable by the Federal Energy Regulatory Commission.

## **FUEL GAS**

"Fuel Gas" means the thermal equivalent of that quantity of Gas actually used or incurred by FEP to effect the transportation of Gas hereunder from the Receipt Points to the Delivery Points. Consistent with Section 36 of the General Terms and Conditions, Booster Compression Fuel incurred by FEP shall be determined separately and is not included in Fuel Gas.

**GAS**

"Gas" shall mean combustible hydrocarbon Gas.

**HEATING VALUE**

The term "heating value" shall mean the number of Btus per cubic feet of Gas at the base condition of 14.73 psia 60 degrees Fahrenheit dry. The Btu value will be determined utilizing the complete actual composition of the Gas according to the methods in GPA Standard 2172-96, titled "Calculation of Gross Heating Value, Relative Density and Compressibility Factor for Natural Gas Mixtures from Compositional Analysis," and corrected to the base conditions. For reporting purposes, Btu conversion factors will be reported to not less than three (3) decimal places and Pressure Base conversion factors will be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal places will be used for both conversion factors.

**HUB POINT**

"Hub Point" shall have the meaning set out in Section 2.1 of Rate Schedule HAT.

**INTERACTIVE WEBSITE**

The term "Interactive Website" shall mean the interactive internet website maintained by FEP for communication regarding its transportation services in accordance with applicable Commission Regulations and NAESB Standards, as more fully described in Section 13 of these General Terms and Conditions.

**LOST AND UNACCOUNTED FOR GAS**

"Lost and Unaccounted For Gas" shall mean the thermal equivalent of the difference between the sum of all input quantities of Gas to the System (including Fuel Gas) and the sum of all output quantities of Gas from the System plus Fuel Gas, which difference shall include but shall not be limited to Gas vented (other than Gas that can be attributed to an offending Shipper), line heater Gas, and Gas lost as a result of an event of Force Majeure, the ownership of which cannot be reasonably identified. Lost and Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions.

**MCF**

"Mcf" shall mean one thousand (1,000) cubic feet of Gas.

**MDQ**

"MDQ" shall mean the maximum daily quantity.

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**MONTH**

"Month" shall mean the period beginning on the first day of any calendar month and ending on the first day of the next succeeding calendar month.

**NEGOTIATED RATE**

The term "Negotiated Rate" shall mean a rate provision under which FEP and Shipper have agreed on the amount to be charged for the service under Rate Schedule FTS, ITS, PALS or HAT which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate deviates from the applicable minimum and/or maximum rate level, as set forth in Section 30, hereof. Any Agreement entered into which provides for a rate under Rate Schedule FTS, ITS, PALS or HAT other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties, consistent with Commission policy, as to whether the pricing terms represent a discounted rate or a Negotiated Rate. A negotiated rate may be a stated rate or a rate determined by a formula. A Negotiated Rate arrangement may cover Fuel Gas and Lost and Unaccounted For Gas and/or Booster Compression Fuel.

**NOMINATION**

"Nomination" shall mean the requests for service submitted pursuant to Section 6 of these General Terms and Conditions.

**OPERATIONAL BALANCING AGREEMENT ("OBA")**

An OBA is a contract between two parties which specifies the procedures to manage operating variances at an interconnect. FEP shall not be obligated to enter into an OBA with any form of cash out.

**OVERAGE AVERAGE MONTHLY INDEX PRICE (OAMIP)**

The Overage Average Monthly Index Price or "OAMIP" shall mean the index price used in determining cash out amounts for overages as provided in Section 10.4 of these General Terms and Conditions.

**POINT**

"Point" shall mean a physical point on FEP's System at which Gas can be received and/or delivered and which is utilized to provide service under Rate Schedules FTS, ITS, PALS or HAT.

**POINT MDQ**

Each FTS Agreement shall specify a Point MDQ for each Receipt Point and each Delivery Point. Subject to the provisions of Section 2.3(b) of Rate Schedule FTS, "Point MDQ" shall mean: (i) the MDQ of Gas which FEP is obligated to deliver on a primary firm basis at Delivery Points;

and (ii) the MDQ of Gas which FEP is obligated to receive on a primary firm basis at Receipt Points, exclusive of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel, if applicable. At Receipt Points, FEP shall be obligated to accept applicable Fuel Gas and Lost and Unaccounted For Gas on a primary firm basis in addition to the Point MDQ quantity.

### **POOLING POINT**

“Pooling Point” shall have the meaning set out in Section 6.12 of the General Terms and Conditions of this Tariff.

### **RECEIPT POINT**

"Receipt Point" shall mean any Point at which Gas is tendered by or for the account of Shipper to FEP for transportation as specified in an Agreement, or for the receipt of Gas by FEP pursuant to a Request Order under Rate Schedule PALS, or as applicable to service under such Agreement by operation of this Tariff.

### **RECOURSE RATE**

"Recourse Rate" shall mean the applicable maximum rate which would apply to the service but for the rate flexibility allowed under Sections 30 (Negotiated Rates) and 34 (Discounting) hereof.

### **SHIPPER**

The term "Shipper" shall mean a Shipper as defined in any of the Rate Schedules governed by these General Terms and Conditions. In addition, in a given context, Shipper may refer to an entity which is seeking to become a Shipper.

### **SUPPLY LEG**

“Supply Leg” shall mean the pipeline segment that is west of (but not including) the NGPL Interconnect.

### **SYSTEM**

"System" shall mean the Pipeline, including any compression and related facilities owned or leased by FEP.

### **TARIFF**

“Tariff” shall mean Transporter’s currently effective FERC NGA Gas Tariff.

## **UNAUTHORIZED OVERRUN GAS**

"Unauthorized Overrun Gas" shall mean quantities of Gas received from or delivered to (or on behalf of) Shipper at a Point in excess of confirmed nominations.

## **UNDERAGE AVERAGE MONTHLY INDEX PRICE (UAMIP)**

The Underage Average Monthly Index Price or "UAMIP" shall mean the index price used in determining cash out amounts for underages as provided in Section 10.4 of these General Terms and Conditions.

## **YEAR**

"Year" shall mean a period of three hundred sixty-five (365) consecutive days or three hundred sixty-six (366) consecutive days if such period includes February 29.

## 36. PERIODIC RATE ADJUSTMENTS FOR FUEL GAS, LOST AND UNACCOUNTED FOR GAS AND BOOSTER COMPRESSION FUEL

### 36.1 PURPOSE AND APPLICABILITY

(a) This Section 36 establishes a semi-annual periodic rate adjustment provision for the recovery by FEP of Fuel Gas, Lost and Unaccounted For Gas, and any Booster Compression Fuel. FEP shall have the right to adjust the Fuel Gas Percentage, the Lost and Unaccounted For Gas Percentage, and any Booster Compression Fuel Percentages, as provided in this Section 36.

(b) This Section 36 specifies the procedures to be utilized in adjusting such Reimbursement Percentages to reflect changes in Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel. These adjustments result in the Fuel Gas and Lost and Unaccounted For Gas Reimbursement Percentages as reflected in the Currently Effective Rates for the applicable Rate Schedule. A separate incremental Booster Compression Fuel Reimbursement Percentage (associated with Booster Compression) is set forth for point(s) where Booster Compression applies. All amounts for the reimbursement of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel shall be recovered by FEP in-kind by applying the applicable Reimbursement Percentage(s) to the quantities of Gas transported on the FEP System under Rate Schedules FTS, ITS and HAT. If fuel retention percentages differ from those determined hereunder are established for any Shipper, pursuant to Section 30 of these General Terms and Conditions (relating to Negotiated Rates), that contractual percentage shall be used in determining delivery quantities for that Shipper (Equivalent Volumes, etc), but shall be without prejudice to FEP recovering additional future amounts from such a Shipper consistent with Section 30.5 of these General Terms and Conditions.

(c) Fuel Gas charges shall not be assessed for quantities received by FEP upstream of the interconnect with Natural Gas Pipeline Company of America LLC (NGPL Interconnect) located in White County, Arkansas, and delivered at or upstream of the NGPL Interconnect, provided that such deliveries are made without the use of compression. Provided however, Lost and Unaccounted For Gas and any applicable Booster Compression Fuel charges shall apply to such quantities. If mainline compression is installed at or upstream of the NGPL Interconnect, the Fuel Gas Charge exemption provided in this section shall not be applicable.

### 36.2 DEFINITIONS

(a) "Fuel Gas", "Lost and Unaccounted For Gas", and "Booster Compression Fuel" shall have the meanings set out in Section 1 of these General Terms and Conditions.

(b) "Collection Period" shall mean, for purposes of the Periodic Rate Adjustment, the six (6) Month period ended three (3) Months prior to the commencement of a new Recovery Period.

(c) "Recovery Period" for purposes of the Current Component, shall be a six (6) Month period commencing with the effective date of the next redetermination as specified in Section 36.3. The Recovery Period, for purposes of the Annual Fuel Reimbursement Surcharge, shall be the twelve (12) Months beginning December 1.

(d) "Receipt Quantity" shall mean the quantity of Gas received by FEP at the various Receipt Points on its System, net of quantities received as reimbursement for Fuel Gas, Lost and Unaccounted For Gas, and applicable Booster Compression Fuel, as adjusted for any negotiated rate agreements pursuant to Section 30.5 of these General Terms and Conditions. For purposes of incremental Booster Compression Fuel Reimbursement Percentage(s), the Receipt Quantity shall mean all quantities received at the point(s) where Booster Compression applies.

### 36.3 PERIODIC RATE ADJUSTMENT

(a) The effective date of each Periodic Rate Adjustment shall be June 1 and December 1.

(b) FEP shall file its adjustment to each of the Reimbursement Percentages at least thirty (30) days prior to the effective date of the redetermination. The revised Reimbursement Percentage(s) in any periodic adjustment filing(s) shall be the sum of the Current Component, determined under Section 36.4, and the Annual Fuel Reimbursement Surcharge, determined under Section 36.5; however, if the sum of the Current Component and the Annual Fuel Reimbursement Surcharge results in an overall negative Reimbursement Percentage, then the revised Reimbursement Percentage will be 0.00%. Any periodic adjustment filing(s) submitted in accordance with this section shall become effective, and subject to refund, on the proposed effective date which is consistent with Sections 36.3(a) and 36.3(c). Any changes in Reimbursement Percentage(s) shall be subject to review in the periodic adjustment filing proceeding(s).

(c) FEP may, at any time, file to make an out of cycle adjustment to the Fuel Gas Reimbursement Percentage, Lost and Unaccounted For Gas Percentage, and/or to establish an incremental Booster Compressor Fuel Reimbursement Percentage at points where Booster Compression applies. Such adjustment shall be filed at least thirty (30) days prior to the effective date and shall only be effective at the beginning of a month.

### 36.4 CURRENT COMPONENT

(a) A Current Component shall be calculated for: (i) Fuel Gas Reimbursement Percentage; (ii) Lost and Unaccounted For Gas Reimbursement Percentage; and (iii) Booster Compression Fuel Reimbursement Percentage. Each element of the Current Component shall be divided by the relevant Receipt Quantity to calculate the Current Component of the respective Reimbursement Percentage(s). One value for the Fuel Gas and the Lost and Unaccounted For Gas Reimbursement Percentages shall be calculated, which applies once to all quantities transported on the System, excluding exempted volumes pursuant to Section 36.1(c). The Booster Compression Fuel Reimbursement Percentage is an incremental rate applicable to Shippers with Gas being compressed using Booster Compression.

(b) Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel to be included in this calculation consist of the Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel actually experienced during the Collection Period, utilizing best available measurement information, and adjusted for changes reasonably anticipated to occur during the Current Component Recovery Period; provided, however, that for the initial redetermination, the calculation shall reflect the months of actual experience for which data is available.

(c) The Receipt Quantities used in these calculations shall be the Receipt Quantities to which such fuel charges were actually assessed as adjusted for Negotiated Rate Agreements, pursuant to Section 30.5 of these General Terms and Conditions, during the Collection Period, utilizing best available measurement information, and adjusted for changes reasonably anticipated to occur during the Recovery Period.

### 36.5 ANNUAL FUEL REIMBURSEMENT SURCHARGE

(a) An Annual Fuel Reimbursement Surcharge shall be calculated for: (i) the Fuel Gas Reimbursement Percentage; (ii) the Lost and Unaccounted For Gas Reimbursement Percentage; and (iii) the Booster Compression Fuel Reimbursement Percentage by dividing the balance four (4) Months prior to December 1 of the applicable deferred subaccounts by FEP's projected Receipt Quantities transported under Rate Schedules FTS, ITS, and HAT for the Annual Fuel Reimbursement Surcharge Recovery Period.

(b) FEP shall maintain a Deferred Reimbursement Account with appropriate subaccounts for: (i) Fuel Gas; (ii) Lost and Unaccounted For Gas; and (iii) Booster Compression Fuel. For each billing Month, the applicable subaccounts shall be increased or decreased for a positive or negative change in the respective Reimbursement Percentage(s) for the billing Month.

(c) A change in Fuel Gas Reimbursement, Lost and Unaccounted For Gas Reimbursement, and/or Booster Compressor Fuel Reimbursement for each billing Month shall be the difference between (1) the applicable currently effective Reimbursement Percentages for the billing Month multiplied by FEP's Receipt Quantities during the billing Month and (2) the actual Fuel Gas, the actual Lost and Unaccounted For Gas, and actual Booster Compression Fuel Gas, and quantities related to Section 30.5 of these General Terms and Conditions.

MARKED VERSION

## 1. DEFINITIONS

**AGREEMENT**

"Agreement" shall mean an agreement subject to, as applicable, Rate Schedule FTS, ITS, PALS or HAT.

**AUTHORIZED OVERRUN GAS**

"Authorized Overrun Gas" shall mean those quantities of Gas nominated and confirmed for transportation by Shipper on any Day in excess of its currently effective Contract and/or Point MDQ, to the extent such Gas is scheduled under Section 6 of these General Terms and Conditions.

**AVERAGE MONTHLY INDEX PRICE (AMIP)**

"Average Monthly Index Price" or "AMIP" for each calendar Month, ~~shall be used for calculations under Section 36 of these General Terms and Conditions (relating to Fuel Gas, Booster Compression Fuel and Lost and Unaccounted For Gas respectively), and~~ shall be determined as follows:

$$\text{AMIP} = \text{INDEX} \times (100\% / (100\% - \text{FUEL})) + \text{COMM}$$

Where:

INDEX = the price published in Platts' monthly "Gas Daily Price Guide" in the table entitled "Midpoint Averages, (Month)" for NGPL, Texok zone (or the superseding reference if the publication titling is revised);

FUEL = NGPL's transportation fuel retention factor (in %) for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone minus NGPL's transportation fuel retention factor (in %) for receipts in the Gulf Coast Mainline Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current FERC natural gas tariff;

COMM = NGPL's minimum ITS commodity rate for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current natural gas tariff.

If the monthly price for the above location is no longer published by Gas Daily, the equivalent price in the Intelligence Press Publication "NGI's Bidweek Survey", under the column labeled "avg." in the table entitled "(Month Year) Cumulative" will be used to determine the AMIP.

In the event that any index referenced above is unavailable or if the indices in the aggregate do not meet FERC requirements as to liquidity, FEP will post that information in its Interactive Website and shall discontinue use of that referenced index in computing the Average Monthly Index Price. During any period when an index is unavailable, FEP shall compute the Average Monthly Index Price using the published index prices that remain available. If any index remains unavailable for sixty (60) Days, FEP shall make a limited tariff filing pursuant to Section 4 of the Natural Gas Act requesting Commission authorization to adopt an appropriate replacement index to use in the computation of the Average Monthly Index Price. FEP will consult with Shippers at any time when the referenced index is not to be used and a replacement index is used. Shippers may protest FEP's filing with the Commission during this proceeding.

### **AVERAGE WEEKLY INDEX PRICE OR AWIP**

“Average Weekly Index Price” or “AWIP” shall mean for any week the average of the two prices determined as follows:

- (a) A price defined as:

$$\text{INDEX} \times (100\% / (100\% - \text{FUEL})) + \text{COMM}$$

Where:

INDEX = the price published in Platts' "Gas Daily" in the table entitled "Weekly weighted average prices" for NGPL, Texok zone (or the superseding reference if the publication titling is revised);

FUEL = NGPL's transportation fuel retention factor (in %) for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone minus NGPL's transportation fuel retention factor (in %) for receipts in the Gulf Coast Mainline Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current FERC natural gas tariff;

COMM = NGPL's minimum ITS commodity rate for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current natural gas tariff.

- (b) The price published in Platts' "Gas Daily" in the table entitled "Weekly weighted average prices" for Texas Gas, Zone 1 (or the superseding reference if the publication titling is revised);

If the weekly price for one or both of the above locations is no longer published by Gas Daily, the equivalent prices in the Intelligence Press publication "Weekly Gas Price Index", under the column labeled "avg." in the table entitled "Spot Gas Prices" will be used to determine the prices to be averaged for both locations.

In the event that any index referenced above is unavailable or if the indices in the aggregate do not meet FERC requirements as to liquidity, FEP will post that information in its Interactive Website and shall discontinue use of that referenced index in computing the Average Weekly Index Price. During any period when an index is unavailable, FEP shall compute the Average Weekly Index Price using the published index prices that remain available. If any index remains unavailable for sixty (60) Days, FEP shall make a limited tariff filing pursuant to Section 4 of the Natural Gas Act requesting Commission authorization to adopt an appropriate replacement index to use in the computation of the Average Weekly Index Price. FEP will consult with Shippers at any time when the referenced index is not to be used and a replacement index is used. Shippers may protest FEP's filing with the Commission during this proceeding.

### **BOOSTER COMPRESSION**

"Booster Compression" shall mean compression installed by FEP to facilitate the receipt of Gas into its system if applicable.

### **BOOSTER COMPRESSION FUEL**

"Booster Compression Fuel" means only the thermal equivalent of that quantity of Gas actually used or incurred by FEP on an incremental basis where Booster Compression is installed, to effect the transportation of Gas hereunder from the Receipt Points to the Delivery Points, consistent with Section 36 of these General Terms and Conditions.

### **BUSINESS DAY**

Monday through Friday, 8:00 a.m. to 4:30 p.m. Central Clock Time excluding Federal Banking Holidays.

### **CONTRACT MDQ**

"Contract MDQ" is the MDQ of Gas that FEP is obligated to transport and deliver to Shipper and Shipper is entitled to receive as specified in an Agreement, except for Authorized Overrun Gas, subject to the provisions of Sections 3 and 4 of these General Terms and Conditions.

### **DAILY INDEX PRICE OR DIP**

"Daily Index Price" or "DIP" shall mean for any Day the average of the two prices determined as follows for such Day, using flow date and quantity data as shown for the following indices:

- (a) A price defined as:

$$\text{INDEX} \times (100\% / (100\% - \text{FUEL})) + \text{COMM}$$

Where:

INDEX = the price published in Platts' "Gas Daily" under the column labeled "Midpoint" in the table entitled "Daily price survey (\$/MMBtu)" for NGPL, Texok zone (or the superseding reference if the publication titling is revised);

FUEL = NGPL's transportation fuel retention factor (in %) for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone minus NGPL's transportation fuel retention factor (in %) for receipts in the Gulf Coast Mainline Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current FERC natural gas tariff;

COMM = NGPL's minimum ITS commodity rate for receipts in the Texok Receipt Zone and deliveries in the Market Delivery Zone, as published in NGPL's then-current natural gas tariff.

- (b) The price published in Platts' "Gas Daily" under the column labeled "Midpoint" in the table entitled "Daily price survey (\$/MMBtu)" for Texas Gas, zone 1 (or the superseding reference if the publication titling is revised).

If the daily price for one or both of the above locations is no longer published by Gas Daily, the equivalent prices in the Intelligence Press publication "NGI's Daily Gas Price Index", under the column labeled "avg." in the table entitled "(Month) Cash Market Prices" will be used to determine the prices to be averaged for both locations.

In the event that any index referenced above is unavailable or if the indices in the aggregate do not meet FERC requirements as to liquidity, FEP will post that information in its Interactive Website and shall discontinue use of that referenced index in computing the Daily Index Price. During any period when an index is unavailable, FEP shall compute the Daily Index Price using the published index prices that remain available. If any index remains unavailable for sixty (60) days, FEP shall make a limited tariff filing pursuant to Section 4 of the Natural Gas Act requesting Commission authorization to adopt an appropriate replacement index to use in the computation of the Daily Index Price. FEP will consult with Shippers at any time when the referenced index is not to be used and a replacement index is used. Shippers may protest FEP's filing with the Commission during this proceeding.

## **DAY OR GAS DAY**

"Day" or "Gas Day" shall mean 9 a.m. to 9 a.m. (Central Clock Time)..

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## **DELIVERY POINT**

The term "Delivery Point" shall mean any Point at which FEP delivers to or for the account of Shipper Gas which has been transported by FEP under any Rate Schedule in this Tariff, as specified in an Agreement, or a Point at which Gas is delivered to Shipper pursuant to a Request Order under Rate Schedule PALS or as applicable to service under such Agreement by operation of this Tariff.

## **DTH**

The term "Dth" shall mean one million (1,000,000) Btus and is equivalent to one (1) MMBtu.

## **EDI**

The term "EDI" shall mean Electronic Data Interchange.

## **EQUIVALENT VOLUMES**

"Equivalent Volumes" shall mean the sum of the quantities of Gas measured in Dth received by FEP for the account of a Shipper at the Receipt Points during any given period of time: (a) reduced by (i) that Shipper's share of Fuel Gas and Lost and Unaccounted For Gas, Booster Compression Fuel if applicable and (b) adjusted for any variations in Btu content, as corrected for any water vapor in excess of five (5) pounds per million (1,000,000) cubic feet of Gas, it being the intent of the parties that the quantities of Gas delivered hereunder at the Delivery Point after transportation be the thermal equivalent of the quantities of Gas delivered at the Receipt Point for transportation, after reduction, correction and adjustment as provided above. In determining Equivalent Volumes for redelivery, FEP shall formulate a thermal balance evaluating inputs to, and deliveries from, the System at least once each Month. Fuel Gas, Booster Compression Fuel and Lost and Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions.

## **FERC**

"FERC" or "Commission" shall mean the Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which were exercisable by the Federal Energy Regulatory Commission.

## **FUEL GAS**

"Fuel Gas" means the thermal equivalent of that quantity of Gas actually used or incurred by FEP to effect the transportation of Gas hereunder from the Receipt Points to the Delivery Points. Consistent with Section 36 of the General Terms and Conditions, Booster Compression Fuel incurred by FEP shall be determined separately and is not included in Fuel Gas.

**GAS**

"Gas" shall mean combustible hydrocarbon Gas.

**HEATING VALUE**

The term "heating value" shall mean the number of Btus per cubic feet of Gas at the base condition of 14.73 psia 60 degrees Fahrenheit dry. The Btu value will be determined utilizing the complete actual composition of the Gas according to the methods in GPA Standard 2172-96, titled "Calculation of Gross Heating Value, Relative Density and Compressibility Factor for Natural Gas Mixtures from Compositional Analysis," and corrected to the base conditions. For reporting purposes, Btu conversion factors will be reported to not less than three (3) decimal places and Pressure Base conversion factors will be reported to not less than six (6) decimal places. For calculation purposes, not less than six (6) decimal places will be used for both conversion factors.

**HUB POINT**

"Hub Point" shall have the meaning set out in Section 2.1 of Rate Schedule HAT.

**INTERACTIVE WEBSITE**

The term "Interactive Website" shall mean the interactive internet website maintained by FEP for communication regarding its transportation services in accordance with applicable Commission Regulations and NAESB Standards, as more fully described in Section 13 of these General Terms and Conditions.

**LOST AND UNACCOUNTED FOR GAS**

"Lost and Unaccounted For Gas" shall mean the thermal equivalent of the difference between the sum of all input quantities of Gas to the System (including Fuel Gas) and the sum of all output quantities of Gas from the System plus Fuel Gas, which difference shall include but shall not be limited to Gas vented (other than Gas that can be attributed to an offending Shipper), line heater Gas, and Gas lost as a result of an event of Force Majeure, the ownership of which cannot be reasonably identified. Lost and Unaccounted For Gas shall be determined pursuant to Section 36 of these General Terms and Conditions.

**MCF**

"Mcf" shall mean one thousand (1,000) cubic feet of Gas.

**MDQ**

"MDQ" shall mean the maximum daily quantity.

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**MONTH**

"Month" shall mean the period beginning on the first day of any calendar month and ending on the first day of the next succeeding calendar month.

**NEGOTIATED RATE**

The term "Negotiated Rate" shall mean a rate provision under which FEP and Shipper have agreed on the amount to be charged for the service under Rate Schedule FTS, ITS, PALS or HAT which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate deviates from the applicable minimum and/or maximum rate level, as set forth in Section 30, hereof. Any Agreement entered into which provides for a rate under Rate Schedule FTS, ITS, PALS or HAT other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties, consistent with Commission policy, as to whether the pricing terms represent a discounted rate or a Negotiated Rate. A negotiated rate may be a stated rate or a rate determined by a formula. A Negotiated Rate arrangement may cover Fuel Gas and Lost and Unaccounted For Gas and/or Booster Compression Fuel.

**NOMINATION**

"Nomination" shall mean the requests for service submitted pursuant to Section 6 of these General Terms and Conditions.

**OPERATIONAL BALANCING AGREEMENT ("OBA")**

An OBA is a contract between two parties which specifies the procedures to manage operating variances at an interconnect. FEP shall not be obligated to enter into an OBA with any form of cash out.

**OVERAGE AVERAGE MONTHLY INDEX PRICE (OAMIP)**

The Overage Average Monthly Index Price or "OAMIP" shall mean the index price used in determining cash out amounts for overages as provided in Section 10.4 of these General Terms and Conditions.

**POINT**

"Point" shall mean a physical point on FEP's System at which Gas can be received and/or delivered and which is utilized to provide service under Rate Schedules FTS, ITS, PALS or HAT.

**POINT MDQ**

Each FTS Agreement shall specify a Point MDQ for each Receipt Point and each Delivery Point. Subject to the provisions of Section 2.3(b) of Rate Schedule FTS, "Point MDQ" shall mean: (i) the MDQ of Gas which FEP is obligated to deliver on a primary firm basis at Delivery Points;

and (ii) the MDQ of Gas which FEP is obligated to receive on a primary firm basis at Receipt Points, exclusive of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel, if applicable. At Receipt Points, FEP shall be obligated to accept applicable Fuel Gas and Lost and Unaccounted For Gas on a primary firm basis in addition to the Point MDQ quantity.

### **POOLING POINT**

“Pooling Point” shall have the meaning set out in Section 6.12 of the General Terms and Conditions of this Tariff.

### **RECEIPT POINT**

"Receipt Point" shall mean any Point at which Gas is tendered by or for the account of Shipper to FEP for transportation as specified in an Agreement, or for the receipt of Gas by FEP pursuant to a Request Order under Rate Schedule PALS, or as applicable to service under such Agreement by operation of this Tariff.

### **RECOURSE RATE**

"Recourse Rate" shall mean the applicable maximum rate which would apply to the service but for the rate flexibility allowed under Sections 30 (Negotiated Rates) and 34 (Discounting) hereof.

### **SHIPPER**

The term "Shipper" shall mean a Shipper as defined in any of the Rate Schedules governed by these General Terms and Conditions. In addition, in a given context, Shipper may refer to an entity which is seeking to become a Shipper.

### **SUPPLY LEG**

“Supply Leg” shall mean the pipeline segment that is west of (but not including) the NGPL Interconnect.

### **SYSTEM**

"System" shall mean the Pipeline, including any compression and related facilities owned or leased by FEP.

### **TARIFF**

“Tariff” shall mean Transporter’s currently effective FERC NGA Gas Tariff.

## **UNAUTHORIZED OVERRUN GAS**

"Unauthorized Overrun Gas" shall mean quantities of Gas received from or delivered to (or on behalf of) Shipper at a Point in excess of confirmed nominations.

## **UNDERAGE AVERAGE MONTHLY INDEX PRICE (UAMIP)**

The Underage Average Monthly Index Price or "UAMIP" shall mean the index price used in determining cash out amounts for underages as provided in Section 10.4 of these General Terms and Conditions.

## **YEAR**

"Year" shall mean a period of three hundred sixty-five (365) consecutive days or three hundred sixty-six (366) consecutive days if such period includes February 29.

## 36. PERIODIC RATE ADJUSTMENTS FOR FUEL GAS, LOST AND UNACCOUNTED FOR GAS AND BOOSTER COMPRESSION FUEL

### 36.1 PURPOSE AND APPLICABILITY

(a) This Section 36 establishes a semi-annual periodic rate adjustment provision for the recovery by FEP of Fuel Gas, Lost and Unaccounted For Gas, and any Booster Compression Fuel. FEP shall have the right to adjust the Fuel Gas Percentage, the Lost and Unaccounted For Gas Percentage, and any Booster Compression Fuel Percentages, as provided in this Section 36.

(b) This Section 36 specifies the procedures to be utilized in adjusting such Reimbursement Percentages to reflect changes in Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel. These adjustments result in the Fuel Gas and Lost and Unaccounted For Gas Reimbursement Percentages as reflected in the Currently Effective Rates for the applicable Rate Schedule. A separate incremental Booster Compression Fuel Reimbursement Percentage (associated with Booster Compression) is set forth for point(s) where Booster Compression applies. All amounts for the reimbursement of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel shall be recovered by FEP in-kind by applying the applicable Reimbursement Percentage(s) to the quantities of Gas transported on the FEP System under Rate Schedules FTS, ITS and HAT. If fuel retention percentages differ from those determined hereunder are established for any Shipper, pursuant to Section 30 of these General Terms and Conditions (relating to Negotiated Rates), that contractual percentage shall be used in determining delivery quantities for that Shipper (Equivalent Volumes, etc), but shall be without prejudice to FEP recovering additional future amounts from such a Shipper consistent with Section 30.5 of these General Terms and Conditions.

(c) Fuel Gas charges shall not be assessed for quantities received by FEP upstream of the interconnect with Natural Gas Pipeline Company of America LLC (NGPL Interconnect) located in White County, Arkansas, and delivered at or upstream of the NGPL Interconnect, provided that such deliveries are made without the use of compression. Provided however, Lost and Unaccounted For Gas and any applicable Booster Compression Fuel charges shall apply to such quantities. If mainline compression is installed at or upstream of the NGPL Interconnect, the Fuel Gas Charge exemption provided in this section shall not be applicable.

~~(d) FEP shall file the first semi-annual Periodic Rate Adjustment nine (9) months after the Initial Effective Date.~~

### 36.2 DEFINITIONS

(a) "Fuel Gas", "Lost and Unaccounted For Gas", and "Booster Compression Fuel" shall have the meanings set out in Section 1 of these General Terms and Conditions.

(b) "Collection Period" shall mean, for purposes of the Periodic Rate Adjustment, the six (6) Month period ended three (3) Months prior to the commencement of a new Recovery Period.

(c) "Recovery Period" ~~shall mean, for purposes of the Periodic Rate Adjustment~~Current Component, the period during which the revised percentages are to be in effect, which shall be a six (6) Month period commencing with the effective date of the next redetermination as specified in Section 36.3. The Recovery Period, for purposes of the Annual Fuel Reimbursement Surcharge, shall be the twelve (12) Months beginning December 1.

(d) "Receipt Quantity" shall mean the quantity of Gas received by FEP at the various Receipt Points on its System, net of quantities received as reimbursement for Fuel Gas, Lost and Unaccounted For Gas, and applicable Booster Compression Fuel, as adjusted for any negotiated rate agreements pursuant to Section 30.5 of these General Terms and Conditions. For purposes of incremental Booster Compression Fuel Reimbursement Percentage(s), the Receipt Quantity shall mean all quantities received at the point(s) where Booster Compression applies.

### 36.3 PERIODIC RATE ADJUSTMENT

(a) The effective date of each Periodic Rate Adjustment shall be June 1 and December 1.

(b) FEP shall file its adjustment to each of the Reimbursement Percentages at least thirty (30) days prior to the effective date of the redetermination. The revised Reimbursement Percentage(s) in any periodic adjustment filing(s) shall be the sum of the Current Component, determined under Section 36.4, and the ~~Deferred Component~~Annual Fuel Reimbursement Surcharge, determined under Section 36.5; however, if the sum of the Current Component and the ~~Deferred Component~~Annual Fuel Reimbursement Surcharge results in an overall negative Reimbursement Percentage, then the revised Reimbursement Percentage will be 0.00%. Any periodic adjustment filing(s) submitted in accordance with this section shall become effective, and subject to refund, on the proposed effective date which is consistent with Sections 36.3(a) and 36.3(c). Any changes in Reimbursement Percentage(s) shall be subject to review in the periodic adjustment filing proceeding(s).

(c) FEP may, at any time, file to make an out of cycle adjustment to the Fuel Gas Reimbursement Percentage, Lost and Unaccounted For Gas Percentage, and/or to establish an incremental Booster Compressor Fuel Reimbursement Percentage at points where Booster Compression applies. Such adjustment shall be filed at least thirty (30) days prior to the effective date and shall only be effective at the beginning of a month.

### 36.4 CURRENT COMPONENT

(a) A Current Component shall be calculated for: (i) Fuel Gas Reimbursement Percentage; (ii) Lost and Unaccounted For Gas Reimbursement Percentage; and (iii) Booster Compression Fuel Reimbursement Percentage. Each element of the Current Component shall be

divided by the relevant Receipt Quantity to calculate the Current Component of the respective Reimbursement Percentage(s). One value for the Fuel Gas and the Lost and Unaccounted For Gas Reimbursement Percentages shall be calculated, which applies once to all quantities transported on the System, excluding exempted volumes pursuant to Section 36.1(c). The Booster Compression Fuel Reimbursement Percentage is an incremental rate applicable to Shippers with Gas being compressed using Booster Compression.

(b) Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel to be included in this calculation consist of the Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel actually experienced during the Collection Period, utilizing best available measurement information, and adjusted for changes reasonably anticipated to occur during the Current Component Recovery Period; provided, however, that for the initial redetermination, the calculation shall reflect the months of actual experience for which data is available.

(c) The Receipt Quantities used in these calculations shall be the Receipt Quantities to which such fuel charges were actually assessed as adjusted for Negotiated Rate Agreements, pursuant to Section 30.5 of these General Terms and Conditions, during the Collection Period, utilizing best available measurement information, and adjusted for changes reasonably anticipated to occur during the Recovery Period.

### 36.5 ~~DEFERRED~~ ~~COMPONENT~~ ANNUAL FUEL REIMBURSEMENT SURCHARGE

~~(a) A Deferred Component shall be calculated for: (i) the Fuel Gas Reimbursement Percentage; (ii) the Lost and Unaccounted For Gas Reimbursement Percentage; and (iii) Booster Compression Fuel Reimbursement Percentage. A deferred subaccount shall be established and maintained for each of these items. The Deferred Component shall be the balance of the deferred subaccount as of the end of the Collection Period divided by the Receipt Quantity. The Receipt Quantities used in these calculations shall be the quantities to which such fuel charges were actually assessed during the Collection Period based on best available information, adjusted for changes reasonably anticipated to occur during the Recovery Period. The Deferred Component may be positive or negative.~~ An Annual Fuel Reimbursement Surcharge shall be calculated for: (i) the Fuel Gas Reimbursement Percentage; (ii) the Lost and Unaccounted For Gas Reimbursement Percentage; and (iii) the Booster Compression Fuel Reimbursement Percentage by dividing the balance four (4) Months prior to December 1 of the applicable deferred subaccounts by FEP's projected Receipt Quantities transported under Rate Schedules FTS, ITS, and HAT for the Annual Fuel Reimbursement Surcharge Recovery Period.

~~(b) The accumulated deferred subaccount balances for each Reimbursement Percentage is to be adjusted semi-annually to reflect the following, as applicable: FEP shall maintain a Deferred Reimbursement Account with appropriate subaccounts for: (i) Fuel Gas; (ii) Lost and Unaccounted For Gas; and (iii) Booster Compression Fuel. For each billing Month, the applicable subaccounts shall be increased or decreased for a positive or negative change in the respective Reimbursement Percentage(s) for the billing Month.~~

~~\_\_\_\_\_ (1) The amount associated with FEP's actual under or over recovery at the end of each six (6) Month period of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel if applicable.~~

~~\_\_\_\_\_ (2) Adjustments to any prior Month's recoveries.~~

~~\_\_\_\_\_ (3) Carrying charges on the deferred subaccounts.~~

~~\_\_\_\_\_ (4) Other charges related to Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel operations.~~

~~\_\_\_\_\_ (c) The amount to be included as an adjustment in the deferral subaccounts for any Month shall be calculated as follows, with separate calculations for each Deferred Component identified in Section 36.5(a) hereof: A change in Fuel Gas Reimbursement, Lost and Unaccounted For Gas Reimbursement, and/or Booster Compressor Fuel Reimbursement for each billing Month shall be the difference between (1) the applicable currently effective Reimbursement Percentages for the billing Month multiplied by FEP's Receipt Quantities during the billing Month and (2) the actual Fuel Gas, the actual Lost and Unaccounted For Gas, and actual Booster Compression Fuel Gas, and quantities related to Section 30.5 of these General Terms and Conditions.~~

~~(1) FEP shall determine the actual Fuel Gas, the actual Lost and Unaccounted For Gas, and actual Booster Compression Fuel Gas, and quantities related to Section 20.2 of these General Terms and Conditions.~~

~~(2) FEP shall then determine the amount of Fuel Gas, the amount of Lost and Unaccounted For Gas, and the amount of Booster Compression Fuel Gas recovered for that Month, as follows: the amount of Fuel Gas, Lost and Unaccounted For Gas, and Booster Compression Fuel Gas recovered shall be determined by multiplying the Fuel Gas Reimbursement Percentage, the Lost and Unaccounted For Gas Reimbursement Percentage, and the Booster Compression Fuel Reimbursement Percentage in effect during the Month by the applicable Receipt Quantity for the Month.~~

~~(3) The adjustment to the deferral subaccounts for the Month shall be based on the difference between item (1) and item (2) of this sub-section (c) hereof. This amount shall be recorded in the deferral subaccount as follows:~~

~~(i) FEP shall debit the relevant deferral account in the event that the actual amounts for the current Month exceed the amounts that FEP recovered hereunder for that Month.~~

~~(ii) FEP shall credit the relevant deferral account in the event that the actual amounts for the current Month are less than the total amount FEP recovered hereunder for~~

~~that Month.~~

~~\_\_\_\_\_ (4) A valuation of the adjustments to the deferral subaccounts shall be based on the AMIP for the relevant period.~~

~~\_\_\_\_\_ (5) FEP will add carrying charges applicable for the Month to each deferral subaccount. The carrying charge shall be the product of the following:~~

~~\_\_\_\_\_ (i) The carrying charge base shall be the prior Month's balance in the reimbursement subaccount;~~

~~\_\_\_\_\_ (ii) FEP shall compute a monthly carrying charge rate utilizing the effective annual FERC approved interest rate prescribed in Section 154.501 of the FERC's Regulations. Such rate shall be expressed to the nearest one ten thousandth of 1%.~~