

GENERAL TERMS AND CONDITIONS (Cont'd)

25. GAS QUALITY

25.1 General Requirement. Natural gas delivered to Transporter and redelivered to Shipper hereunder shall at all times conform to the quality provisions set forth in this Section. Transporter shall not be required to receive gas from Shipper or for Shipper's account that does not conform to the requirements of this Section. Shipper shall indemnify Transporter and save it harmless from all suits, actions, regulatory proceedings, damages, costs, losses and expenses (including reasonable attorney fees) arising out of the failure of said gas to conform to such quality provisions.

25.2 Gas. The gas delivered to Transporter and redelivered to Shipper hereunder shall be a combustible gas consisting wholly of, or a mixture of:

(a) natural gas of the quality and composition produced in its natural state except as provided for in Section 25.3(a) herein;

(b) gas generated by vaporization of Liquefied Natural Gas (LNG); or

(c) manufactured, reformed, or mixed gas consisting essentially of hydrocarbons of the quality and character produced by nature in the petroleum, oil, and gas fields with physical properties such that when the gases are commingled they become indistinguishable with respect to the physical properties of the mixture.

25.3 Processing.

(a) The gas received and delivered hereunder shall be natural gas as defined in Section 25.2 above; provided, however, that:

(1) Transporter may extract or permit the extraction of moisture, helium, natural gasoline, butane, propane, and/or other hydrocarbons (except methane) from said natural gas, or may return thereto any substance extracted from it. Transporter, in order to conserve and utilize other available gases, may blend such gases with said natural gas; provided, however, that such blending shall not extend to a degree which, in Shipper's judgment reasonably exercised, would materially affect the utilization of the gas delivered hereunder, and

(2) Transporter may subject or permit the subjection of said natural gas to compression, cooling, cleaning or other processes to such an extent as may be required in its transmission from the source thereof to the point or points of delivery.

(b) Processing, as used in this Section 25, shall include processing, treatment, conditioning and extraction of the gas stream.

(c) If Shipper's gas is transported through a processing plant on Transporter's system and the Heating Value of the gas at the point it enters Transporter's system is higher than 1130 Btu ("Gas Requiring Processing"), then the Producer of that gas shall enter into a processing agreement with the owner/operator of the applicable processing plant on Transporter's system. If requested by Transporter, Producer shall provide proof to Transporter that it has entered into such a processing agreement. Transporter may decline to receive Gas Requiring Processing into Transporter's system if Producer has not entered into such a gas processing agreement.

(d) If Gas Requiring is produced by multiple Producers and commingled before it enters Transporter's system, then the operator of the meter at the point the commingled Gas Requiring Processing enters Transporter's system (referred to in this Section as "Meter Operator") shall be responsible for either entering into a processing agreement covering all of the volumes flowing through the meter or providing to Transporter or its designee the proper allocation of all quantities and Btu values among all Producers delivering Gas Requiring Processing into Transporter's system at that point.

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(e) Transporter reserves the right to use gas upstream of the point of processing as required for the reasonable and prudent operation of Transporter's facilities and to make deliveries of gas to others under the provisions of Transporter's Tariff.

(f) Transporter shall collect from Producers of Gas Requiring Processing the applicable processing retainage on behalf of and as determined by the owner/operator of the applicable processing plants. Alternatively, Transporter may collect the applicable processing retainage from the Meter Operator when a commingled stream of Gas Requiring Processing enters Transporter's system through a meter controlled by Meter Operator.

(g) Notwithstanding any other provision of this Section 25.3, Transporter shall not be obligated to process gas or to permit gas to be processed on its system and may interrupt or terminate any processing activity at any time, and from time to time, without prior notice to any Producer of Gas Requiring Processing, Meter Operator, Shipper, or other affected party. Transporter reserves the right to sell or abandon its processing facilities at any time upon 30 days notice to Producers of Gas Requiring Processing, Meter Operators, or other affected parties.

(h) Nothing in this Section 25 shall be construed to preclude a Producer of Gas Requiring Processing from processing gas or having gas processed prior to delivery of such gas to Transporter.

25.4 Heating Value. Neither Shipper nor Transporter shall be required to accept natural gas having a Heating Value of less than 967.

25.5 Objectionable Properties. The gas received and delivered by Transporter:

(a) shall be commercially free from dust, gum, gum-forming constituents, paraffin, and other particulates or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment through which it flows at the delivery point;

(b) shall not contain more than twenty-five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) Cubic Feet of gas;

(c) shall not contain more than two (2) grains of total sulfur per one hundred (100) Cubic Feet.

25.6 Objectionable Properties. The gas received by Transporter:

(a) shall not contain more than seven (7) pounds of water vapor per million cubic feet of gas at the base pressure and temperature of fourteen and seventy-three hundredth (14.73) pounds per square inch absolute (psia) and sixty degrees Fahrenheit (60°F). The water vapor content will be determined in accordance with the latest methods in use in the gas industry, using apparatus approved by Transporter;

(b) shall not contain more than four percent (4%) by volume of a combined total of carbon dioxide, nitrogen, and inert components, e.g., helium, argon, neon;

(c) shall not contain more than one and twenty-five hundredths percent (1.25%) by volume of carbon dioxide;

(d) shall not contain more than two hundredths percent (0.02%) by volume of oxygen;

(e) shall not have a cricondentherm hydrocarbon dewpoint of greater than twenty-five degrees Fahrenheit (25°F). The hydrocarbon dewpoint will be determined in accordance with approved methods in use in the gas industry, using apparatus approved by Transporter;

(f) shall have a flowing temperature of no greater than one hundred and twenty degrees Fahrenheit (120°F);

(g) The gas, including any associated liquids, shall not contain any microbiological organism, active bacteria, including, but not limited to sulfate reducing bacteria (SRB) and acid producing bacteria (APB), or bacterial agent capable of causing or contributing to: (i) injury to Transporter's pipelines, meters, regulators, or other facilities and appliances through which Transporter's gas flows or (ii) interference with the proper operation of the Transporter's facilities;

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(h) (i) shall have a Wobbe Index of one thousand three hundred and fifty (1,350) plus or minus four percent (4%), subject to a maximum Wobbe Index of one thousand four hundred (1,400) and a maximum heating value of one thousand one hundred and ten (1,110) btu/scf. The Wobbe Index is defined as that number obtained by dividing the dry, real basis heating value of the gas by the square root of its specific gravity.

(h) (ii) Exception: Appalachian Basin Gas may fall outside of the Wobbe Index and heating value limits set forth above as long as it does not unduly contribute to safety and utilization problems. For purposes of this subsection, "Appalachian Basin Gas" refers to natural gas received into Transporter's system directly or upstream of the following pipeline locations (listed by Line and Counties): Line KA-1 South in Estill, Lee, Owsley and Clay Counties, Kentucky; Line KZ in Menifee and Morgan Counties, Kentucky; Line B in Boyd, Martin and Lawrence Counties, Kentucky and Wayne County, West Virginia; Line P in Lawrence, Johnson, Floyd, Pike, and Martin Counties, Kentucky and in Wayne County, West Virginia; Line 8000 in Allegheny and Garrett Counties, Maryland and Mineral County, West Virginia; Line A-5 in Allegany, Steuben, Chemung and Tioga Counties, New York; Line C-106 in Fairfield, Hocking, Athens, Morgan and Washington Counties, Ohio; Line E in Hocking, Athens, Fairfield, and Meigs Counties, Ohio; Line G in Fairfield, Perry and Licking Counties, Ohio; Line H in Fairfield, Perry and Muskingum Counties, Ohio; Line L in Knox, Richland, Ashland, Wayne, and Medina Counties, Ohio; Line L-3265 in Ashland County, Ohio; Line L-1237 in Ashland County, Ohio; Line L-723 in Ashland County, Ohio; Line L-916 in Ashland County, Ohio; Line L-526 in Medina County, Ohio; Line L-530 in Medina County, Ohio; Line L-545 in Wayne County, Ohio; Line L-609 in Cuyahoga County, Ohio; Line L-920 in Cuyahoga, Lorain and Medina Counties, Ohio; Line O in Muskingum, Guernsey and Noble Counties, Ohio; Line O-1463 in Guernsey and Belmont Counties, Ohio; Line O-400 in Licking, Muskingum, and Guernsey Counties, Ohio; Line O-415 in Guernsey and Tuscarawas Counties, Ohio; Line O-1460 in Tuscarawas County, Ohio; Line V in Holmes, Wayne, Stark, Carroll and Columbiana Counties, Ohio; Line V-100 in Belmont, Harrison, Carroll, and Columbiana, Counties Ohio; Line 35 in Greene and Washington Counties, Pennsylvania; Line 65 in Lawrence, Beaver, Allegheny and Washington Counties, Pennsylvania; Line 134 in Lawrence, Butler, Armstrong, Clarion and Jefferson Counties, Pennsylvania; Line 138 in Greene, Fayette and Somerset Counties, Pennsylvania; Line 1360 in Greene, Washington and Allegheny Counties, Pennsylvania and Marshall, Wetzel, Doddridge and Gilmer Counties, West Virginia; Line 1711 in Allegheny, Washington, Westmoreland, Indiana, Clearfield, Centre and Clinton Counties, Pennsylvania; Line 7215 in Greene County, Pennsylvania; Line 1740 in Marshall and Wetzel Counties, West Virginia; Line BM74 in Wayne, Cabell, Putnam and Lincoln Counties, West Virginia; Line E in Jackson and Roane Counties, West Virginia; Line H in Kanawha and Roane Counties, West Virginia; Line KA (Suction of Flat Top) in Mingo, Summers, Mercer, Raleigh and Wyoming Counties, West Virginia and Pike County, Kentucky; Line N in Kanawha County, West Virginia; Line R in Boone, Lincoln and Putnam Counties, West Virginia; Line S in Cabell, Putnam, Lincoln and Kanawha Counties, West Virginia; Line SM-116 in Mingo, Logan and Lincoln Counties, West Virginia; Line T in Kanawha, Roane and Calhoun Counties, West Virginia; Line T-Loop in Gilmer, Calhoun, Roane and Kanawha, Counties, West Virginia.

25.7 Odorization. Transporter and Shipper may agree, or governmental authorities may require, that the gas be odorized by use of a malodorant agent of such character as to indicate by a distinctive odor the presence of gas. Whenever odorized gas is delivered, the quality and specifications of such gas, as set forth in this Section 25, shall be determined prior to the addition of malodorant and with proper allowance for changes or additions to the gas due to such malodorant. Such odorization of the gas by the Transporter, unless otherwise mutually agreed by Shipper and Transporter, shall be for the purpose of detection of the gas only during the time it is in possession of the Transporter, prior to delivery to the Shipper.

25.8 Acceptance of Non-Conforming Gas. If gas received by Transporter ever fails to meet the specifications in this Section 25, then Transporter may elect to either continue to receive such gas pursuant to the waiver procedures of Section 25.9 or refuse to take all or any portion of such gas until that gas is brought into conformity with the specifications in Section 25. None of the specifications and restrictions set forth in this Section 25 shall be deemed to negate, reduce or limit Transporter's authority to issue Operational Flow Orders consistent with Section 17 of the General Terms and Conditions of this Tariff to provide for the safe and reliable operation of its system.

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25.9 Waiver.

(a) Transporter, in its reasonable discretion and judgment, exercised on a not unduly discriminatory basis, may accept gas that does not conform to the quality specifications in Section 25, provided that Transporter determines that such acceptance will not interfere with its ability to: (1) maintain an acceptable gas quality in its pipeline through prudent and safe operation of Transporter's pipeline system and any related storage facility; (2) ensure that such gas does not affect Transporter's ability to provide service to its customers consistent with the applicable Rate Schedule and these General Terms and Conditions; and (3) ensure that such gas does not adversely affect Transporter's ability to deliver gas at its delivery points. All requests for waiver subsequent to the effective date of this Section 25.9 shall be submitted to Transporter in writing. Transporter will post any waivers granted pursuant to this section on its EBB.

(b) All waivers granted pursuant to this Section shall be subject to suspension, to the extent necessary to (i) ensure the operational integrity of Transporter's system, (ii) enable Transporter to meet its firm service obligations, (iii) facilitate the flow of natural gas during times of emergency and/or periods of force majeure, or (iv) for failure to comply with specifications for which the waiver was granted, such as a deviation from the historical composition or volume. The duration of suspension shall vary depending on the specific circumstances and conditions presented. Notice of suspension shall be posted on Transporter's EBB and shall be immediately effective. The notice shall provide the ground(s) for such suspension.

(c) All waivers granted pursuant to this Section shall be subject to revocation to the extent required to reflect significant changes in historic operating conditions on Transporter's system. To the extent possible, Transporter will provide Shipper with thirty (30) days prior written notice of revocation, and will post the notice of such revocation on Transporter's EBB. The notice shall provide the ground(s) for such revocation.

(d) All disputes concerning the grant, denial, suspension or revocation of waivers pursuant to this Section shall initially be presented to Transporter in accordance with the Complaint Resolution Procedure set forth in Section 30 of the General Terms and Conditions of this Tariff.