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January 23, 2009

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

Re: Trunkline LNG Company, LLC
Docket No. RP09-____-000

Dear Ms. Bose:

Trunkline LNG Company, LLC (TLNG) submits herewith for filing an original and five (5) copies of the tariff sheets listed on Appendix A to its FERC Gas Tariff, Second Revised Volume No. 1-A, to become effective February 23, 2009.

PURPOSE AND NATURE OF THE FILING

The purpose of this filing, made in accordance with the provisions of Section 154.204 of the Commission's Regulations, is to update the capacity release provisions of TLNG's tariff in compliance with the Commission's Final Rule in Docket No. RM08-1-000, Promotion of a More Efficient Capacity Release Market, Order No. 712 (123 FERC ¶ 61,286) issued on June 19, 2008 and the Order on Rehearing, Order No. 712-A (125 FERC ¶ 61,216) issued on November 21, 2008. These orders permanently lift the rate cap on releases of one year or less and exempt asset-management arrangements and marketers participating in a state-regulated retail access program from bidding requirements and other conditions.

To conform with Order Nos. 712 and 712-A and Sections 284.8 and 284.13 of the Commission's Regulations, TLNG proposes administrative tariff revisions to the rate schedules and the General Terms and Conditions. In the Negotiated Rates Section 3.9 of Rate Schedule FTS and Rate Schedule FTS-2, TLNG clarifies the maximum rate for capacity releases and the situation where no rate limitation applies. The Capacity Release section of the General Terms and Conditions is updated to: show the rate cap removal on releases of one year or less in Sections 9.2(A)(8) and 9.9(A); require additional information in Section 9.2(A)(13) on releases to an asset manager or a marketer participating in a state-regulated retail access program; enumerate capacity releases that are exempt from the bidding process in Sections 9.2(A)(11), 9.3(A) and 9.3(B); and clarify in Sections 9.4(B)(1), and 9.4(B)(2), that, for capacity release purposes, releases for one year or less are treated differently than releases with a term of more than one year.

CONTENTS OF THE FILING

Included herewith are (1) an electronic version of the proposed tariff sheets on 3-1/2" diskette containing the file name "TF012309.ASC" pursuant to Section 154.4 of the Commission's Regulations and (2) a marked version of the proposed tariff changes pursuant to Section 154.201(a) of the Commission's Regulations.

IMPLEMENTATION

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, TLNG requests that the proposed tariff sheets be accepted effective February 23, 2009 without further action from TLNG. TLNG reserves the right to file a motion to place the proposed tariff sheets into effect in the event that any part of this filing is not accepted by the Commission or is accepted with required conditions or modifications.

COMMUNICATIONS, PLEADINGS AND ORDERS

TLNG requests that all Commission orders and correspondence as well as pleadings and correspondence from other parties concerning this filing be served on each of the following:

William W. Grygar^{1 2}

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In accordance with Section 154.2(d) of the Commission's Regulations, a copy of this filing is available for public inspection during regular business hours at TLNG's office at 5444 Westheimer Road, Houston, Texas 77056-5306. In addition, copies of this filing are being served on jurisdictional customers and interested state regulatory agencies. TLNG has posted a copy of this filing on its Internet web site accessible via <http://www.panhandleenergy.com> under "Informational Postings, TLNG, Other, Recent Filings".

¹ Designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. TLNG respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow TLNG to include three representatives on the official service list.

² Designated as responsible Company official under Section 154.7(a)(2) of the Commission's Regulations.

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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 such filing, and certifies that the paper copies contain the same information as is contained on the enclosed diskette.

Respectfully submitted,

TRUNKLINE LNG COMPANY, LLC

William W. Grygar

William W. Grygar
Rates and Regulatory Affairs

Enclosures

TRUNKLINE LNG COMPANY, LLC
FERC Gas Tariff
Second Revised Volume No. 1-A

Proposed to be effective February 23, 2009

Third Revised Sheet No. 23
Second Revised Sheet No. 33
Second Revised Sheet No. 90
First Revised Sheet No. 91
Second Revised Sheet No. 92
Second Revised Sheet No. 94
Second Revised Sheet No. 95
Second Revised Sheet No. 101

RATE SCHEDULE FTS (Continued)
FIRM TERMINAL SERVICE

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, calculating the economic value of a request for unsubscribed firm capacity, and matching competing bids for the right of first refusal. Replacement Shippers are not eligible for Negotiated Rates. Replacement Shippers may bid or pay a rate greater than Maximum Rate if the release of capacity is for a period of one year or less and the release is to take effect on or before one year from the date on which TLNG is notified of the release.

In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed variable is released, Shipper and TLNG may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 9.9 of the General Terms and Conditions in order to establish the basis of accounting for revenues from a Replacement Shipper as a means of preserving the economic bases of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on Exhibit B of the executed Service Agreement. Nothing in this Section 3.9 shall authorize TLNG or Shipper to negotiate terms and conditions of service.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of TLNG's FERC Gas Tariff are hereby incorporated by reference in this Rate Schedule FTS.

In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule FTS, the provisions of this Rate Schedule FTS shall govern.

5. RESERVATIONS

TLNG reserves the right from time to time unilaterally to make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule FTS and the other provisions of TLNG's FERC Gas Tariff, and the applicability thereof, including the Form of Service Agreement hereunder, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

RATE SCHEDULE FTS-2 (Continued)
FIRM TERMINAL SERVICE

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, calculating the economic value of a request for unsubscribed firm capacity, and matching competing bids for the right of first refusal. Replacement Shippers are not eligible for Negotiated Rates. Replacement Shippers may bid or pay a rate greater than Maximum Rate if the release of capacity is for a period of one year or less and the release is to take effect on or before one year from the date on which TLNG is notified of the release.

In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed variable is released, Shipper and TLNG may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 9.9 of the General Terms and Conditions in order to establish the basis of accounting for revenues from a Replacement Shipper as a means of preserving the economic bases of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on Exhibit B of the executed Service Agreement. Nothing in this Section 3.9 shall authorize TLNG or Shipper to negotiate terms and conditions of service.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of TLNG's FERC Gas Tariff are hereby incorporated by reference in this Rate Schedule FTS-2.

In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule FTS-2, the provisions of this Rate Schedule FTS-2 shall govern.

5. RESERVATIONS

TLNG reserves the right from time to time unilaterally to make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule FTS-2 and the other provisions of TLNG's FERC Gas Tariff, and the applicability thereof, including the Form of Service Agreement hereunder, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

- (8) The minimum rate expressed in dollars and cents or percentage of Maximum Tariff Rate, term, and quantity of capacity Releasing Shipper will accept, if any, and whether bids using a volumetric rate for the collection of Reservation and Usage Charges will be accepted and whether Releasing Shipper requires a volumetric commitment. The maximum volumetric rate that may be bid shall not exceed the one hundred percent (100%) load factor equivalent of the maximum Reservation and Usage rates. Notwithstanding the above, no rate limitation shall apply to a capacity release for a period of one year or less if the release is to take effect on or before one year from the date on which TLNG is notified of the release;
- (9) The duration of the posting which may not be less than the minimum bid period specified in Section 9.4(B) herein;
- (10) The best bid criterion if different from that described in Section 9.4(H) herein, the method by which volumetric or contingent bids will be evaluated, and any alternate, objective and nondiscriminatory method for breaking ties. The best bid evaluation method established by Releasing Shipper must be objectively stated, applicable to all PRS or Replacement Shippers and not unduly discriminatory and shall enable TLNG to rank the bids received by utilizing the weight assigned by Releasing Shipper to each element of the Shipper Notice;
- (11) If the release is for any period of thirty-one (31) days or less and is exempt from bidding in accordance with Section 9.3(A), the Releasing Shipper may designate in the Shipper Notice the winning bid criterion to be the first acceptable bid received;
- (12) Whether the Shipper Notice may be rejected in part in the event TLNG rejects such Shipper Notice pursuant to Section 9.7; and

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

- (13) Whether the Replacement Shipper is (a) an asset manager as defined in Section 284.8(h)(3) of the Commission's Regulations and, if so, include the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect or (b) a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's Regulations.
- (B) Releasing Shipper may withdraw its Shipper Notice at any time prior to the close of the bid period specified in the Shipper Notice herein when unanticipated circumstances justify and no minimum bid has been made.
- (C) When a Releasing Shipper presents a PRS that is on the approved bidders list, such PRS shall acknowledge the Shipper Release Notice electronically.
- (D) The terms Releasing Shipper imposes may not conflict with any provision of the Service Agreement, Rate Schedule or General Terms and Conditions. In the event of such conflict, TLNG may withdraw the Shipper Notice from posting.

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

9.3 Exceptions to Bidding

(A) The following capacity releases are exempt from the bidding process set forth in Section 9.4 herein:

(1) A capacity release for any period of thirty-one (31) days or less. A firm Shipper shall not roll over, extend or in any way continue such capacity release to the same Replacement Shipper until 28 days after the first release period has ended. This 28-day period does not apply to any release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth in Sections 9.3(A) (2), (3) or (4) below.

(2) A capacity release for more than one year at the maximum tariff rate.

(3) A capacity release to an asset manager as defined in Section 284.8(h) (3) of the Commission's Regulations.

(4) A capacity release to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h) (4) of the Commission's Regulations.

(B) In the event a capacity release is exempt from bidding in accordance with Section 9.3(A) herein, the Releasing Shipper presents a PRS that is on the approved bidders list, and such PRS agrees to all conditions of the release prior to the submission of the Shipper Notice to TLNG, the released capacity will be assigned to the PRS and such Shipper Notice shall be exempt from the bidding process in accordance with Section 9.4 herein. The PRS will be posted as the winning bidder in accordance with Section 9.4(I) herein.

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

9.4 Bidding Process

- (A) In order to submit a valid bid under this capacity release program, any party, including a PRS, must be on the approved bidders list. To be on the approved bidders list, a party must meet the provisions of Section 2 herein and have executed a capacity release service agreement with TLNG in the form as set forth in this Tariff (Capacity Release Service Agreement). A party shall remain on the approved bidders list until such party notifies TLNG to the contrary, no longer meets the credit qualifications in Section 2.3 herein, or is suspended from the approved bidders list in the event and for such time as such party fails to pay part or all of the amount of any bill for service in accordance with Section 15 herein.
- (B) The capacity release timeline in Central Time is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and 2) there are no special terms or conditions of the release.

(1) For biddable releases (1 year or less)

On a Business Day

- 12:00 p.m. Time by which Releasing Shipper shall post the Shipper Notice on the Messenger® system
- 1:00 p.m. Bidding period ends
Evaluation period begins during which contingency is eliminated, determination of best bid is made and ties are broken
- 2:00 p.m. Evaluation period ends and award posting if no match required
Match or award is communicated
- 2:30 p.m. Match response is due
- 3:00 p.m. Award posting where match is required

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

- (2) For biddable releases (more than 1 year)

The timeline is the same as biddable releases for 1 year or less except that the Releasing Shipper shall post the Shipper Notice on the Messenger[®] system by 12:00 p.m. Central Time four (4) Business Days before award. Open season ends no later than 1:00 p.m. Central Time on the Business Day before timely nominations are due (open season is three Business Days).

- (3) Releases with Special Conditions

For the capacity release business process timing model, only the following methodologies are required to be supported by TLNG and provided to releasing shippers as choices from which they may select and, once chosen, be used in determining the awards from the bid(s) submitted. They are: 1) highest rate 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other releasing shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of TLNG. However, TLNG is not required to offer other choices or similar timeline treatment for other choices, nor, is TLNG held to the timeline should the releasing shipper elect another method of evaluation.

- (C) All bids must be expressed in dollars and cents or percents of Maximum Rate, whichever is stated in the Shipper Notice, must include the required bid information and must be received and posted on TLNG's Messenger[®] system with any contingencies identified and with the bidder's identity deleted.

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

9.9 Billing Adjustments to Releasing Shipper

- (A) TLNG shall credit Releasing Shipper's monthly bill to reflect the Reservation Charges (including surcharges, if any) invoiced to Replacement Shipper provided, however, that TLNG and Releasing Shipper may, in connection with a Negotiated Rate based on a rate design other than straight fixed variable, agree upon a payment obligation and crediting mechanism that varies from or is in addition to the provisions of this Section 9.9 in order to establish the basis of accounting for revenues from a Replacement Shipper as a means of preserving the economic bases of the Negotiated Rate. In the event of a release with a volumetric rate, the volumetric rate shall be no greater than the 100% load factor equivalent of the Maximum Reservation Rate currently applicable to the service released and shall be credited to the Releasing Shipper's monthly bill. Replacement Shipper's payment of the Usage Charge and applicable usage surcharges, if any, will be retained by TLNG. Notwithstanding the above, no 100% load factor equivalent limitation shall apply to a capacity release for a period of one year or less if the release is to take effect on or before one year from the date on which TLNG is notified of the release.
- (B) If Replacement Shipper fails to pay all or any part of the Reservation Charges so credited within thirty (30) days of its due date, then such unpaid amount plus interest will be charged to Releasing Shipper's next monthly bill and will be due and payable by Releasing Shipper in accordance with Section 15 herein.
- (C) TLNG and Releasing Shipper may enter into a marketing agreement. In the event TLNG issues an Addendum to a Replacement Shipper found by TLNG pursuant to such marketing agreement, any negotiated marketing fee will be added to Releasing Shipper's invoice.

MARKED VERSION

RATE SCHEDULE FTS (Continued)
FIRM TERMINAL SERVICE

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, calculating the economic value of a request for unsubscribed firm capacity, and matching competing bids for the right of first refusal. Replacement Shippers ~~may not bid or pay a rate greater than the Maximum Rate and are not eligible for Negotiated Rates.~~ Replacement Shippers may bid or pay a rate greater than Maximum Rate if the release of capacity is for a period of one year or less and the release is to take effect on or before one year from the date on which TLNG is notified of the release.

In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed variable is released, Shipper and TLNG may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 9.9 of the General Terms and Conditions in order to establish the basis of accounting for revenues from a Replacement Shipper as a means of preserving the economic bases of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on Exhibit B of the executed Service Agreement. Nothing in this Section 3.9 shall authorize TLNG or Shipper to negotiate terms and conditions of service.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of TLNG's FERC Gas Tariff are hereby incorporated by reference in this Rate Schedule FTS.

In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule FTS, the provisions of this Rate Schedule FTS shall govern.

5. RESERVATIONS

TLNG reserves the right from time to time unilaterally to make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule FTS and the other provisions of TLNG's FERC Gas Tariff, and the applicability thereof, including the Form of Service Agreement hereunder, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

Issued by: Michael T. Langston
Sr. Vice President

Effective: October 1, 2008

Issued on: September 5, 2008

RATE SCHEDULE FTS-2 (Continued)
FIRM TERMINAL SERVICE

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, calculating the economic value of a request for unsubscribed firm capacity, and matching competing bids for the right of first refusal. Replacement Shippers ~~may not bid or pay a rate greater than the Maximum Rate and are not eligible for Negotiated Rates.~~ Replacement Shippers may bid or pay a rate greater than Maximum Rate if the release of capacity is for a period of one year or less and the release is to take effect on or before one year from the date on which TLNG is notified of the release.

In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed variable is released, Shipper and TLNG may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 9.9 of the General Terms and Conditions in order to establish the basis of accounting for revenues from a Replacement Shipper as a means of preserving the economic bases of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on Exhibit B of the executed Service Agreement. Nothing in this Section 3.9 shall authorize TLNG or Shipper to negotiate terms and conditions of service.

4. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of TLNG's FERC Gas Tariff are hereby incorporated by reference in this Rate Schedule FTS-2.

In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule FTS-2, the provisions of this Rate Schedule FTS-2 shall govern.

5. RESERVATIONS

TLNG reserves the right from time to time unilaterally to make any changes to, or to supersede, the rates and charges and other terms in this Rate Schedule FTS-2 and the other provisions of TLNG's FERC Gas Tariff, and the applicability thereof, including the Form of Service Agreement hereunder, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

- (8) The minimum rate expressed in dollars and cents or percentage of Maximum Tariff Rate, term, and quantity of capacity Releasing Shipper will accept, if any, and whether bids using a volumetric rate for the collection of Reservation and Usage Charges will be accepted and whether Releasing Shipper requires a volumetric commitment. The maximum volumetric rate that may be bid shall not exceed the one hundred percent (100%) load factor equivalent of the maximum Reservation and Usage rates. Notwithstanding the above, no rate limitation shall apply to a capacity release for a period of one year or less if the release is to take effect on or before one year from the date on which TLNG is notified of the release;
- (9) The duration of the posting which may not be less than the minimum bid period specified in Section 9.4(B) herein;
- (10) The best bid criterion if different from that described in Section 9.4(H) herein, the method by which volumetric or contingent bids will be evaluated, and any alternate, objective and nondiscriminatory method for breaking ties. The best bid evaluation method established by Releasing Shipper must be objectively stated, applicable to all PRS or Replacement Shippers and not unduly discriminatory and shall enable TLNG to rank the bids received by utilizing the weight assigned by Releasing Shipper to each element of the Shipper Notice;
- (11) ~~If the release is for a period less than one Month any period of thirty-one (31) days or less and is exempt from bidding in accordance with Section 9.3(A), the Releasing Shipper may designate in the Shipper Notice the winning bid criterion to be the first acceptable bid received. Such capacity release shall not contain an evergreen provision and cannot be reassigned to the same Replacement Shipper within twenty-eight (28) Gas Days from the termination of each release, except in the event the Replacement Shipper is bidding the Maximum Rate or is bidding on a second release under a different Service Agreement; and~~
- (12) Whether the Shipper Notice may be rejected in part in the event TLNG rejects such Shipper Notice pursuant to Section 9.7-; and

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

- (13) Whether the Replacement Shipper is (a) an asset manager as defined in Section 284.8(h)(3) of the Commission's Regulations and, if so, include the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect or (b) a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's Regulations.
- (B) Releasing Shipper may withdraw its Shipper Notice at any time prior to the close of the bid period specified in the Shipper Notice herein when unanticipated circumstances justify and no minimum bid has been made.
- (C) When a Releasing Shipper presents a PRS that is on the approved bidders list, such PRS shall acknowledge the Shipper Release Notice electronically.
- (D) The terms Releasing Shipper imposes may not conflict with any provision of the Service Agreement, Rate Schedule or General Terms and Conditions. In the event of such conflict, TLNG may withdraw the Shipper Notice from posting.

GENERAL TERMS AND CONDITIONS

(Continued)

9. CAPACITY RELEASE (Continued)

- ~~(C) When a Releasing Shipper presents a PRS that is on the approved bidders list, such PRS shall acknowledge the Shipper Release Notice electronically.~~
- ~~(D) The terms Releasing Shipper imposes may not conflict with any provision of the Service Agreement, Rate Schedule or General Terms and Conditions. In the event of such conflict, TLNG may withdraw the Shipper Notice from posting.~~

9.3 Exceptions to Bidding

(A) The following capacity releases are exempt from the bidding process set forth in Section 9.4 herein:

- (1) At Shipper's option, a Shipper Notice for aA capacity release for any period of thirty-one (31) days or less, with a designated PRS shall not be subject to the bidding process in accordance with Section 9.4 herein (exempt capacity release). An exempt capacity release shall not contain an evergreen provision and cannot be reassigned to the same PRS within twenty eight (28) Gas Days from the termination of each release, except in the event the PRS is bidding the Maximum Rate or is bidding on a second release under a different Service Agreement. A firm Shipper shall not roll over, extend or in any way continue such capacity release to the same Replacement Shipper until 28 days after the first release period has ended. This 28-day period does not apply to any release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding set forth in Sections 9.3(A) (2), (3) or (4) below.
- (2) A capacity release for more than one year at the maximum tariff rate.
- (3) A capacity release to an asset manager as defined in Section 284.8(h) (3) of the Commission's Regulations.
- (4) A capacity release to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h) (4) of the Commission's Regulations.

- (B) In the event a capacity release is exempt from bidding in accordance with Section 9.3(A) herein, the Releasing Shipper presents a PRS that is on the approved bidders list, and such PRS agrees to pay the applicable Maximum Rate and agrees to all other conditions of the release prior to the submission of the Shipper Notice to TLNG, the released capacity will be assigned to the PRS and such Shipper Notice shall be exempt from the bidding process in accordance with Section 9.4 herein. The PRS will be posted as the winning bidder in accordance with Section 9.4(I) herein.

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

9.4 Bidding Process

- (A) In order to submit a valid bid under this capacity release program, any party, including a PRS, must be on the approved bidders list. To be on the approved bidders list, a party must meet the provisions of Section 2 herein and have executed a capacity release service agreement with TLNG in the form as set forth in this Tariff (Capacity Release Service Agreement). A party shall remain on the approved bidders list until such party notifies TLNG to the contrary, no longer meets the credit qualifications in Section 2.3 herein, or is suspended from the approved bidders list in the event and for such time as such party fails to pay part or all of the amount of any bill for service in accordance with Section 15 herein.
- (B) The capacity release timeline in Central Time is applicable to all parties involved in the Capacity Release process; however, it is only applicable if 1) all information provided by the parties to the transaction is valid and 2) there are no special terms or conditions of the release.

(1) For biddable releases (~~less than 1 year or less~~)

On a Business Day

- 12:00 p.m. Time by which Releasing Shipper shall post the Shipper Notice on the Messenger® system
- 1:00 p.m. Bidding period ends
Evaluation period begins during which contingency is eliminated, determination of best bid is made and ties are broken
- 2:00 p.m. Evaluation period ends and award posting if no match required
Match or award is communicated
- 2:30 p.m. Match response is due
- 3:00 p.m. Award posting where match is required

GENERAL TERMS AND CONDITIONS
(Continued)

9. CAPACITY RELEASE (Continued)

- (2) For biddable releases (more than 1 year ~~or more~~)

The timeline is the same as biddable releases for less than 1 year or less except that the Releasing Shipper shall post the Shipper Notice on the Messenger® system by 12:00 p.m. Central Time four (4) Business Days before award. Open season ends no later than 1:00 p.m. Central Time on the Business Day before timely nominations are due (open season is three Business Days).

- (3) Releases with Special Conditions

For the capacity release business process timing model, only the following methodologies are required to be supported by TLNG and provided to releasing shippers as choices from which they may select and, once chosen, be used in determining the awards from the bid(s) submitted. They are: 1) highest rate 2) net revenue and 3) present value. Other choices of bid evaluation methodology (including other releasing shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of TLNG. However, TLNG is not required to offer other choices or similar timeline treatment for other choices, nor, is TLNG held to the timeline should the releasing shipper elect another method of evaluation.

- (C) All bids must be expressed in dollars and cents or percents of Maximum Rate, whichever is stated in the Shipper Notice, must include the required bid information and must be received and posted on TLNG's Messenger® system with any contingencies identified and with the bidder's identity deleted.

GENERAL TERMS AND CONDITIONS
Continued)

9. CAPACITY RELEASE (Continued)

9.9 Billing Adjustments to Releasing Shipper

- (A) TLNG shall credit Releasing Shipper's monthly bill to reflect the Reservation Charges (including surcharges, if any) invoiced to Replacement Shipper provided, however, that TLNG and Releasing Shipper may, in connection with a Negotiated Rate based on a rate design other than straight fixed variable, agree upon a payment obligation and crediting mechanism that varies from or is in addition to the provisions of this Section 9.9 in order to establish the basis of accounting for revenues from a Replacement Shipper as a means of preserving the economic bases of the Negotiated Rate. In the event of a release with a volumetric rate, the volumetric rate shall be no greater than the 100% load factor equivalent of the Maximum Reservation Rate currently applicable to the service released and shall be credited to the Releasing Shipper's monthly bill. Replacement Shipper's payment of the Usage Charge and applicable usage surcharges, if any, will be retained by TLNG. Notwithstanding the above, no 100% load factor equivalent limitation shall apply to a capacity release for a period of one year or less if the release is to take effect on or before one year from the date on which TLNG is notified of the release.
- (B) If Replacement Shipper fails to pay all or any part of the Reservation Charges so credited within thirty (30) days of its due date, then such unpaid amount plus interest will be charged to Releasing Shipper's next monthly bill and will be due and payable by Releasing Shipper in accordance with Section 15 herein.
- (C) TLNG and Releasing Shipper may enter into a marketing agreement. In the event TLNG issues an Addendum to a Replacement Shipper found by TLNG pursuant to such marketing agreement, any negotiated marketing fee will be added to Releasing Shipper's invoice.