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September 5, 2008

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. RP08-____-000
Fuel Reimbursement and
Electric Power Cost Reimbursement

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 October 1, 2008.

PURPOSE AND NATURE OF THE FILING

The purpose of this filing, made in accordance with Section 154.204 of the Commission's Regulations, is to revise the method for collecting reimbursement for fuel and electric power costs. World wide LNG marketing conditions have resulted in a substantial decrease in activity at TLNG's LNG terminal in Lake Charles, Louisiana. The erratic activity and lower throughput from the reduction in LNG cargoes received at the terminal results in substantial timing differences between the incurrence and collection of the fuel and electric power costs. TLNG proposes to replace the volumetric fuel reimbursement percentage and electric power cost surcharge with a monthly flow through of each shipper's pro rata share of the actual fuel and electric power costs. Section 19 (Fuel Reimbursement) and Section 20 (Electric Power Cost Reimbursement) of the General Terms and Conditions of TLNG's FERC Gas Tariff, Second Revised Volume No. 1-A have been modified accordingly. Corresponding changes have been made to the table of contents, the Rate Schedules, the General Terms and Conditions and the forms of service agreement.

TLNG's shipper, BG LNG Services, LLC (BG LNG), has been involved in the development of these revised tracking mechanisms and fully supports this filing.

Background

The economics of world wide LNG marketing have substantially reduced LNG cargoes destined for the TLNG terminal in Lake Charles, Louisiana. In fact, TLNG received its last LNG ship in October, 2007. Correspondingly, deliveries of regasified LNG have been reduced to the minimum daily delivery quantity required to protect terminal integrity. Although TLNG anticipates receiving an LNG cargo in September 2008, the terminal does not expect any additional cargoes until the spring of 2009.

Under TLNG's currently effective FERC Gas Tariff, Section 19 (Fuel Reimbursement Adjustment), the recovery of projected fuel use and lost or unaccounted for gas as well as the deferred fuel reimbursement account are based on projected deliveries of regasified LNG leaving the LNG terminal for Shippers' accounts. Without regular activity at TLNG's terminal, TLNG lacks the ability to recover its fuel usage. This is not an issue for the recovery of projected fuel use because fuel is only associated with regasification activity to render deliveries from storage. It becomes a dilemma when TLNG continues to hold a receivable in its deferred fuel reimbursement account. As reported in Docket No. RP08-429-000, the balance of the deferred fuel reimbursement account at March 31, 2008 was 191,279 Dt and it has now grown to 224,137 Dt at July 31, 2008. A lack of deliveries of regasified LNG results in no recovery of TLNG's deferred fuel account.

Similarly, under TLNG's currently effective FERC Gas Tariff, Section 20 (Electric Power Cost Fuel Reimbursement), the recovery of projected electric power costs and the deferred power cost account are based on received quantities of LNG from tankers unloading at the LNG terminal. If no shipment of LNG is unloaded at the LNG terminal, electric power costs are not recovered. Unlike Section 19 where natural gas is used primarily to fuel the regasification of LNG, TLNG experiences incremental electric power costs on a monthly basis whether ships unload or not. Without received quantities of LNG, upon which the recovery of electric power costs are based, the actual electric power costs accumulate in the deferred electric power cost account. As reported in Docket No. RP08-429-000, the balance of the deferred electric power cost account at March 31, 2008 was \$1,783,141 and it has grown to \$3,523,975 at July 31, 2008. Under the current Section 20 electric power cost tracking mechanism, the lack of shipments to the TLNG terminal results in an escalating deferred electric power cost account. The electric power cost deferred balance will result in an untenably high surcharge that TLNG may only hope to start recovering in August 2009.

Revised Tracker Proposal

The purpose of tracking surcharge mechanisms is to pass through to customers the actual identified cost and to match the incurrence and reimbursement of the cost as closely as possible. TLNG proposes to replace the volumetric fuel reimbursement percentage and electric power cost surcharge with a monthly flow through of the actual fuel and electric power costs. Each shipper will be allocated its pro rata share based on activity at the terminal. TLNG has one shipper, BG LNG. When there is no activity in a given month, a shipper reserving capacity at the terminal will be allocated its pro rata share of the actual fuel or electric power costs based upon the billing of charges to shipper's account. Since shippers are reimbursing TLNG's actual monthly fuel and electric power costs, the deferred account mechanism is no longer required and has been removed from proposed Section 19 and Section 20 of the General Terms and Conditions. The Commission approved a similar fuel reimbursement tariff provision for Southern LNG, Inc.¹ The proposed mechanisms insure that shippers utilizing the terminal will reimburse TLNG the actual fuel or electric power costs on a timely basis.

As shown above, TLNG will have a deferred fuel account balance and a deferred electric power cost account balance as of the effective date of these proposed tariff provisions. BG LNG has agreed to reimburse TLNG for the actual balances in the deferred fuel account and deferred electric power cost account when the proposed tariff revisions herein become effective. Section 19.2 and Section 20.2 reflect the proposed mechanism that will zero the fuel and electric power cost deferred account balances.

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 "TF090508.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.

¹ Southern LNG, Inc., 97 FERC ¶ 61,254 (2001).

IMPLEMENTATION

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, TLNG requests that the proposed tariff sheets be accepted effective October 1, 2008 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.

REQUEST FOR WAIVER

TLNG respectfully requests waiver of the notice requirements in Section 154.207 of the Commission's Regulations in order to expeditiously implement the proposed revised tracker mechanisms to permit a proposed effective date on October 1, 2008. BG LNG is in agreement with the proposed effective date.

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:

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Regulatory Affairs
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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".

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

/s/ Michael T. Langston

Michael T. Langston
Sr. Vice President
Government & Regulatory Affairs

Enclosures

² Designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure.

³ Designated as responsible Company official under Section 154.7(a)(2) of the Commission's Regulations.

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

Proposed to be effective October 1, 2008

Fifth Revised Sheet No. 2
Sixteenth Revised Sheet No. 5
Fourth Revised Sheet No. 6
First Revised Sheet No. 21
First Revised Sheet No. 22
Second Revised Sheet No. 23
Second Revised Sheet No. 25
First Revised Sheet No. 26
First Revised Sheet No. 31
First Revised Sheet No. 32
First Revised Sheet No. 33
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CURRENTLY EFFECTIVE RATES

Each rate set forth in this Tariff is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate or rate schedule.

	Base	Section 24	Maximum	Minimum	Fuel/Power Reimbursement	
	Rate Per Dt	Surcharge	Rate per Dt	Rate per Dt	Section 19	Section 20
<u>RATE SCHEDULE FTS</u>						
Reservation	\$ 0.2734	-	\$ 0.2734	-	-	-
Usage	-	\$ 0.0017	0.0017	\$ 0.0017	Pro Rata Share	Pro Rata Share
Overrun	0.0273	-	0.0273	-	-	-
<u>RATE SCHEDULE ITS</u>						
Monthly Inventory	\$ 1.6633	-	\$ 1.6633	-	-	-
Usage	-	\$ 0.0017	0.0017	\$ 0.0017	Pro Rata Share	Pro Rata Share
<u>RATE SCHEDULE LLS</u>						
Daily Lending Rate	\$ 0.1998	-	\$ 0.1998	-	-	-
<u>RATE SCHEDULE FTS-2</u>						
Reservation	\$ 0.6847	-	\$ 0.6847	-	-	-
Usage	-	\$ 0.0017	0.0017	\$ 0.0017	Pro Rata Share	Pro Rata Share
Overrun	0.0685	-	0.0685	-	-	-
<u>RATE SCHEDULE ITS-2</u>						
Monthly Inventory	\$ 4.1652	-	\$ 4.1652	-	-	-
Usage	-	\$ 0.0017	0.0017	\$ 0.0017	Pro Rata Share	Pro Rata Share

Issued by: Michael T. Langston
 Sr. Vice President
 Issued on: September 5, 2008

Effective: October 1, 2008

NEGOTIATED RATES

<u>Shipper</u>	<u>Rate Schedule</u>	<u>Negotiated Rate or Formula</u>	<u>Quantity</u>
BG LNG Services LLC	FTS-2	<u>1/</u>	1,170,000 Dt/day

This negotiated rate agreement does not deviate in any material respect from the form of service agreement in the tariff.

- 1/ Monthly Payment = Capacity Charge + Additional Capacity Charge. Capacity Charge = 570,000 Dt/day x \$0.2176/Dt x number of days in the month. The monthly payment shall also include Fuel Reimbursement and Electric Power Costs pursuant to Sections 19 and 20 of the General Terms and Conditions. Additional Capacity Charge = \$60,000 per day from the Modified Expansion In-Service Date to the later of (a) the first anniversary of the Modified Expansion In-Service Date or (b) December 31, 2008 and, thereafter, \$75,000 per day from the later of (a) the first anniversary of the Modified Expansion In-Service Date or (b) January 1, 2009. The Monthly Payment shall continue until December 31, 2015.

Issued by: Michael T. Langston
Sr. Vice President
Issued on: September 5, 2008

Effective: October 1, 2008

RATE SCHEDULE FTS (Continued)
FIRM TERMINAL SERVICE

2.3 In no event shall TLNG be obligated to provide any Terminal Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES

The rates and charges for firm service under this Rate Schedule FTS shall be as follows:

3.1 Reservation Charge

The monthly Reservation Charge shall be the product of one-tenth (1/10th) of Shipper's MCSC, the greater of the Days during the month in which Terminal Service is reserved or utilized, and the reservation rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.2 Usage Charge

The monthly Usage Charge shall be the product of the actual Quantity of LNG received during the Month and the usage rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.3 Surcharges

The Reservation and Usage Charges shall include all applicable surcharges and any other applicable charges specified in the General Terms and Conditions and as may be set forth on the effective Tariff Sheet No. 5 from time to time or which otherwise may be applicable to service under this Rate Schedule FTS.

3.4 Overrun Charge

The monthly Overrun Charge shall be the product of the actual Quantity of LNG received in excess of Shipper's MCSC for each Day, as specified in the Service Agreement, during the Month in which Terminal Service is utilized and the overrun rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

RATE SCHEDULE FTS (Continued)
FIRM TERMINAL SERVICE

3.5 Range of Rates

Unless otherwise agreed to in writing between Shipper and TLNG, any rate applicable to Shipper for service hereunder shall be the applicable Maximum Rate set forth on the effective Tariff Sheet No. 5, plus all applicable surcharges and any other charges specified in the General Terms and Conditions, as may be applicable from time to time. If an amount less than the applicable Maximum Rate and not less than the applicable Minimum Rate is agreed upon, such amount shall be applied prospectively. TLNG shall be responsible for compliance with any reporting requirements prescribed by the Commission. TLNG shall not be required to enter into any Service Agreement for Terminal Service at a rate less than the Maximum Rate per Dt.

3.6 Fuel Reimbursement

Shipper shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas in accordance with Section 19 of the General Terms and Conditions. TLNG shall adjust Shipper's Stored Volume accordingly.

3.7 Electric Power Costs

Shipper shall reimburse TLNG for its monthly pro rata share of Electric Power Costs in accordance with Section 20 of the General Terms and Conditions.

3.8 Balancing and Other Charges

If balancing or other charges are incurred in accordance with the General Terms and Conditions, then such charges shall also be applicable.

3.9 Negotiated Rates

Shipper and TLNG may agree, on a prospective basis, to a Negotiated Rate with respect to the charges identified in Sections 3.1 and 3.2 herein. Such Negotiated Rate shall be set forth on Exhibit B of the executed Service Agreement and on the currently effective Tariff Sheet No. 6. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate.

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.

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 ITS (Continued)
INTERRUPTIBLE TERMINAL SERVICE

LNG may be received at any time in accordance with the Service Agreement, subject to daily nomination by Shipper and available MCSC. LNG or Regasified LNG may be delivered at any time in accordance with the Service Agreement, subject to daily nomination by Shipper and available Stored Volume. The available Stored Volume shall be increased, up to the MCSC, by the Quantity of LNG that Shipper transfers into Storage in accordance with Section 4.4 of the General Terms and Conditions and the Quantity of LNG loaned by TLNG pursuant to Rate Schedule LLS. The available Stored Volume shall be reduced by Shipper's share of Boil-Off and the LNG that Shipper transfers out of Storage in accordance with Section 4.4 of the General Terms and Conditions.

- 2.3 In no event shall TLNG be obligated to provide any Terminal Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES

The rates and charges for interruptible service under this Rate Schedule ITS shall be as follows:

3.1 Inventory Charge

The Monthly Inventory Charge shall be the product of the Inventory Charge per Dt as set forth on effective Tariff Sheet No. 5 times the average daily Stored Volume for the Month.

3.2 Usage Charge

The monthly Usage Charge shall be the product of the actual Quantity of LNG received during the Month and the usage rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.3 Surcharges

The Monthly Inventory Charge and Usage Charge shall include all applicable surcharges and any other applicable charges specified in the General Terms and Conditions and as may be set forth on the effective Tariff Sheet No. 5 from time to time or which otherwise may be applicable to service under this Rate Schedule ITS.

RATE SCHEDULE ITS (Continued)
INTERRUPTIBLE TERMINAL SERVICE

3.4 Range of Rates

Unless otherwise agreed to in writing between Shipper and TLNG, any rate applicable to Shipper for service hereunder shall be the applicable Maximum Rate set forth on the effective Tariff Sheet No. 5, plus all applicable surcharges and any other charges specified in the General Terms and Conditions, as may be applicable from time to time. If an amount less than the applicable Maximum Rate and not less than the applicable Minimum Rate is agreed upon, such amount shall be applied prospectively. TLNG shall be responsible for compliance with any reporting requirements prescribed by the Commission. TLNG shall not be required to enter into any Service Agreement for Terminal Service at a rate less than the Maximum Rate per Dt.

3.5 Fuel Reimbursement

Shipper shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas in accordance with Section 19 of the General Terms and Conditions. TLNG shall adjust Shipper's Stored Volume accordingly.

3.6 Electric Power Costs

Shipper shall reimburse TLNG for its monthly pro rata share of Electric Power Costs in accordance with Section 20 of the General Terms and Conditions.

3.7 Balancing and Other Charges

If balancing or other charges are incurred in accordance with the General Terms and Conditions, then such charges shall also be applicable.

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 ITS.

In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule ITS, the provisions of this Rate Schedule ITS 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 ITS 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

2.3 In no event shall TLNG be obligated to provide any Terminal Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES

The rates and charges for firm service under this Rate Schedule FTS-2 shall be as follows:

3.1 Reservation Charge

The monthly Reservation Charge shall be the product of one-tenth (1/10th) of Shipper's MCSC, the greater of the Days during the month in which Terminal Service is reserved or utilized, and the reservation rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.2 Usage Charge

The monthly Usage Charge shall be the product of the actual Quantity of LNG received during the Month and the usage rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.3 Surcharges

The Reservation and Usage Charges shall include all applicable surcharges and any other applicable charges specified in the General Terms and Conditions and as may be set forth on the effective Tariff Sheet No. 5 from time to time or which otherwise may be applicable to service under this Rate Schedule FTS-2.

3.4 Overrun Charge

The monthly Overrun Charge shall be the product of the actual Quantity of LNG received in excess of Shipper's MCSC for each Day, as specified in the Service Agreement, during the Month in which Terminal Service is utilized and the overrun rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

RATE SCHEDULE FTS-2 (Continued)
FIRM TERMINAL SERVICE

3.5 Range of Rates

Unless otherwise agreed to in writing between Shipper and TLNG, any rate applicable to Shipper for service hereunder shall be the applicable Maximum Rate set forth on the effective Tariff Sheet No. 5, plus all applicable surcharges and any other charges specified in the General Terms and Conditions, as may be applicable from time to time. If an amount less than the applicable Maximum Rate and not less than the applicable Minimum Rate is agreed upon, such amount shall be applied prospectively. TLNG shall be responsible for compliance with any reporting requirements prescribed by the Commission. TLNG shall not be required to enter into any Service Agreement for Terminal Service at a rate less than the Maximum Rate per Dt.

3.6 Fuel Reimbursement

Shipper shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas in accordance with Section 19 of the General Terms and Conditions. TLNG shall adjust Shipper's Stored Volume accordingly.

3.7 Electric Power Costs

Shipper shall reimburse TLNG for its monthly pro rata share of Electric Power Costs in accordance with Section 20 of the General Terms and Conditions.

3.8 Balancing and Other Charges

If balancing or other charges are incurred in accordance with the General Terms and Conditions, then such charges shall also be applicable.

3.9 Negotiated Rates

Shipper and TLNG may agree, on a prospective basis, to a Negotiated Rate with respect to the charges identified in Sections 3.1 and 3.2 herein. Such Negotiated Rate shall be set forth on Exhibit B of the executed Service Agreement and on the currently effective Tariff Sheet No. 6. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate.

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.

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.

RATE SCHEDULE ITS-2 (Continued)
INTERRUPTIBLE TERMINAL SERVICE

LNG may be received at any time in accordance with the Service Agreement, subject to daily nomination by Shipper and available MCSC. LNG or Regasified LNG may be delivered at any time in accordance with the Service Agreement, subject to daily nomination by Shipper and available Stored Volume. The available Stored Volume shall be increased, up to the MCSC, by the Quantity of LNG that Shipper transfers into Storage in accordance with Section 4.4 of the General Terms and Conditions and the Quantity of LNG loaned by TLNG pursuant to Rate Schedule LLS. The available Stored Volume shall be reduced by Shipper's share of Boil-Off and the LNG that Shipper transfers out of Storage in accordance with Section 4.4 of the General Terms and Conditions.

- 2.3 In no event shall TLNG be obligated to provide any Terminal Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES

The rates and charges for interruptible service under this Rate Schedule ITS-2 shall be as follows:

3.1 Inventory Charge

The Monthly Inventory Charge shall be the product of the Inventory Charge per Dt as set forth on effective Tariff Sheet No. 5 times the average daily Stored Volume for the Month.

3.2 Usage Charge

The monthly Usage Charge shall be the product of the actual Quantity of LNG received during the Month and the usage rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.3 Surcharges

The Monthly Inventory Charge and Usage Charge shall include all applicable surcharges and any other applicable charges specified in the General Terms and Conditions and as may be set forth on the effective Tariff Sheet No. 5 from time to time or which otherwise may be applicable to service under this Rate Schedule ITS-2.

RATE SCHEDULE ITS-2 (Continued)
INTERRUPTIBLE TERMINAL SERVICE

3.4 Range of Rates

Unless otherwise agreed to in writing between Shipper and TLNG, any rate applicable to Shipper for service hereunder shall be the applicable Maximum Rate set forth on the effective Tariff Sheet No. 5, plus all applicable surcharges and any other charges specified in the General Terms and Conditions, as may be applicable from time to time. If an amount less than the applicable Maximum Rate and not less than the applicable Minimum Rate is agreed upon, such amount shall be applied prospectively. TLNG shall be responsible for compliance with any reporting requirements prescribed by the Commission. TLNG shall not be required to enter into any Service Agreement for Terminal Service at a rate less than the Maximum Rate per Dt.

3.5 Fuel Reimbursement

Shipper shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas in accordance with Section 19 of the General Terms and Conditions. TLNG shall adjust Shipper's Stored Volume accordingly.

3.6 Electric Power Costs

Shipper shall reimburse TLNG for its monthly pro rata share of Electric Power Costs in accordance with Section 20 of the General Terms and Conditions.

3.7 Balancing and Other Charges

If balancing or other charges are incurred in accordance with the General Terms and Conditions, then such charges shall also be applicable.

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 ITS-2.

In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule ITS-2, the provisions of this Rate Schedule ITS-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 ITS-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
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GENERAL TERMS AND CONDITIONS
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19. FUEL REIMBURSEMENT

- 19.1 Shippers under Rate Schedules FTS, FTS-2, ITS and ITS-2 shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas. TLNG shall flow through fuel use and lost or unaccounted for Gas to Shipper(s) on a monthly basis. TLNG shall retain a pro rata share of Regasified LNG delivered for the account of Shipper as reimbursement for fuel usage and gas otherwise used or lost and unaccounted for in TLNG's operations. Pro rata share shall mean the ratio of the Quantity of Regasified LNG delivered by TLNG for Shipper during the applicable month to the total Quantity of Regasified LNG delivered for all Shippers during the applicable month. In the event no Quantities of Regasified LNG are delivered by TLNG in a given month, the fuel use and lost or unaccounted for gas shall be allocated to Shippers based upon the ratio of Shipper's average daily Stored Volume during the applicable month to the sum of the average daily Stored Volume of all Shippers during the applicable month. In the event the average daily Stored Volume for all Shippers is zero, the actual fuel usage and lost or unaccounted for Gas will be allocated based on the ratio of Shipper's Maximum Contract Storage Capacity (MCSC) to the sum of the MCSC set forth on all firm Service Agreements. Fuel use shall consist of Gas used as fuel for vaporization and other Terminal operations, and lost or unaccounted for Gas. Shipper's Stored Volume shall be reduced by Shipper's pro rata share of the Terminal's fuel use and lost or unaccounted for Gas but shall not be reduced below zero. If Shipper's Stored Volume is insufficient to cover this Quantity, any such deficiency shall be deducted from Shipper's next subsequent LNG shipment received at the Terminal.
- 19.2 Upon the effective date of Second Revised Sheet No. 123 of this Section 19, Fuel Reimbursement, and in accordance with the Notice of Responsibility of Deferred Amounts in previously effective Section 19, Fuel Reimbursement Adjustment, specifically Section 19.5, each Shipper that received Terminal Service during the period affected by such Deferred Fuel Reimbursement Account shall be responsible to TLNG for its proportionate share of the amount of TLNG's unrecovered deferred Fuel Reimbursement. If Shipper's Stored Volume is insufficient to cover this Quantity, any such deficiency shall be deducted from Shipper's next subsequent LNG shipment received at the Terminal.

GENERAL TERMS AND CONDITIONS
(Continued)

19. FUEL REIMBURSEMENT (Continued)

19.3 Notice of Responsibility for Fuel Reimbursement

In the event this Section 19 shall be changed in any manner that adversely affects TLNG's recovery of the full amount of fuel use and lost or unaccounted for Gas, each Shipper that received Terminal Service during the affected period shall be responsible to TLNG for its proportionate share of the amount of TLNG's fuel use and lost or unaccounted for Gas for the Terminal Service which it was provided.

GENERAL TERMS AND CONDITIONS
(Continued)

20. ELECTRIC POWER COST REIMBURSEMENT

20.1 Each Shipper under Rate Schedule FTS, FTS-2, ITS or ITS-2 shall reimburse TLNG for its pro rata share of Electric Power Costs. TLNG shall flow through Electric Power Costs to Shipper(s) on a monthly basis. Each Shipper's pro rata share shall be calculated by multiplying the Electric Power Costs by the ratio of the actual Quantities of LNG received at the Terminal for Shipper's account during the applicable month to the sum of the actual Quantities of LNG received at the Terminal for all Shippers during the applicable month. In the event no Quantities of LNG are received at the Terminal in a given month, the Electric Power Costs shall be allocated to Shippers based upon the ratio of Shipper's average daily Stored Volume during the applicable month to the sum of the average daily Stored Volume of all Shippers during the applicable month. In the event the average daily Stored Volume for all Shippers is zero, Electric Power Costs will be allocated based on the ratio of Shipper's Maximum Contract Storage Capacity (MCSC) to the sum of the MCSC set forth on all firm Service Agreements. Electric Power Costs subject to this Section 20 shall consist of all costs, fees, surcharges and other costs included in billings from third party electric providers and the cost of natural gas used for stand-by generation incurred during the applicable month.

20.2 Upon the effective date of Second Revised Sheet No. 125 of this Section 20, Electric Power Cost Reimbursement, and in accordance with the Notice of Responsibility of Deferred Account in previously effective Section 20, Electric Power Cost Adjustment, specifically Section 20.5, each Shipper that received Terminal Service during the period affected by such Deferred Electric Power Cost Account shall be responsible to TLNG for its proportionate share of the amount of TLNG's unrecovered deferred Electric Power Costs.

20.3 Notice of Responsibility for Electric Power Cost Reimbursement

In the event this Section 20 shall be changed in any manner that adversely affects TLNG's recovery of the full amount of Electric Power Costs, each Shipper that received Terminal Service during the affected period shall be responsible to TLNG for its proportionate share of the amount of TLNG's Electric Power Costs for the Terminal Service it was provided.

RESERVED FOR FUTURE USE

**RATE SCHEDULE FTS (Continued)
FIRM TERMINAL SERVICE
FORM OF SERVICE AGREEMENT**

EXHIBIT B

Contract No.

NEGOTIATED RATE AGREEMENT

Shipper agrees to the Negotiated Rate option in accordance with Section 3.9 of Rate Schedule FTS and notifies TLNG that it desires to be billed, and agrees to pay, the charges specified below for the period commencing _____, _____ and continuing until _____, _____. Shipper acknowledges that this election is an alternative to the billing of charges for Rate Schedule FTS set forth on effective Tariff Sheet No. 5, as revised from time to time. Shipper also acknowledges that its election constitutes waiver of its reliance on and its right to use the recourse rates which are available to it under the Rate Schedule FTS.

Specification of Negotiated Rate:

Trunkline LNG Company, LLC

BY: _____

(Please type or print name)

SHIPPER: _____

BY: _____

(Please type or print name)

DATED: _____

SUPERSEDES EXHIBIT B DATED: _____

**RATE SCHEDULE FTS-2 (Continued)
FIRM TERMINAL SERVICE
FORM OF SERVICE AGREEMENT**

EXHIBIT B

Contract No.

NEGOTIATED RATE AGREEMENT

Shipper agrees to the Negotiated Rate option in accordance with Section 3.9 of Rate Schedule FTS-2 and notifies TLNG that it desires to be billed, and agrees to pay, the charges specified below for the period commencing on _____, _____ and continuing until _____, _____. Shipper acknowledges that this election is an alternative to the billing of charges for Rate Schedule FTS-2 set forth on effective Tariff Sheet No. 5, as revised from time to time. Shipper also acknowledges that its election constitutes waiver of its reliance on and its right to use the recourse rates which are available to it under the Rate Schedule FTS-2.

Specification of Negotiated Rate:

TRUNKLINE LNG COMPANY, LLC

BY: _____

(Please type or print name)

SHIPPER: _____

BY: _____

(Please type or print name)

DATED: _____

SUPERSEDES EXHIBIT B DATED: _____

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CURRENTLY EFFECTIVE RATES

Each rate set forth in this Tariff is the currently effective rate pertaining to the particular rate schedule to which it is referenced, but each such rate is separate and independent and the change in any such rate shall not thereby effect a change in any other rate or rate schedule.

	Base Rate Per Dt	Section 20		Section 24 Surcharge	Maximum Rate per Dt	Minimum Rate per Dt	Fuel/Power Reimbursement	
		Surcharge	Surcharge				Section 19	Section 20
<u>RATE SCHEDULE FTS</u>								
Reservation	\$ 0.2734	-	-	-	\$ 0.2734	-	-	-
							2.27%	-
Usage	-	\$ 0.2635	\$ 0.0017	0.26520017	0.26520017	\$ 0.26520017	<u>Pro Rata Share</u>	<u>Pro Rata Share</u>
Overrun	0.0273	-	-	-	0.0273	-	-	-
<u>RATE SCHEDULE ITS</u>								
Monthly Inventory	\$ 1.6633	-	-	-	\$ 1.6633	-	-	-
							2.27%	-
Usage	-	\$ 0.2635	\$ 0.0017	0.26520017	0.26520017	\$ 0.26520017	<u>Pro Rata Share</u>	<u>Pro Rata Share</u>
<u>RATE SCHEDULE LLS</u>								
Daily Lending Rate	\$ 0.1998	-	-	-	\$ 0.1998	-	-	-
<u>RATE SCHEDULE FTS-2</u>								
Reservation	\$ 0.6847	-	-	-	\$ 0.6847	-	-	-
							2.27%	-
Usage	-	\$ 0.2635	\$ 0.0017	0.26520017	0.26520017	\$ 0.26520017	<u>Pro Rata Share</u>	<u>Pro Rata Share</u>
Overrun	0.0685	-	-	-	0.0685	-	-	-
<u>RATE SCHEDULE ITS-2</u>								
Monthly Inventory	\$ 4.1652	-	-	-	\$ 4.1652	-	-	-
							2.27%	-
Usage	-	\$ 0.2635	\$ 0.0017	0.26520017	0.26520017	\$ 0.26520017	<u>Pro Rata Share</u>	<u>Pro Rata Share</u>

Issued by: Michael T. Langston
 Sr. Vice President
 Issued on: August 29, 2008

Effective: October 1, 2008

NEGOTIATED RATES

<u>Shipper</u>	<u>Rate Schedule</u>	<u>Negotiated Rate or Formula</u>	<u>Quantity</u>
BG LNG Services LLC	FTS-2	1/	1,170,000 Dt/day

This negotiated rate agreement does not deviate in any material respect from the form of service agreement in the tariff.

- 1/ ~~Monthly Payment = Capacity Charge + Usage Charge + Additional Capacity Charge. Capacity Charge = 570,000 Dt/day x \$0.2176/Dt x Number of days in the month. Usage Charge = Quantity of LNG received, in Dt, during the month x the usage rate, which shall be the greater of (i) \$0.0136 per Dt, or (ii) the surcharge under Section 20 of the General Terms and Conditions of Trunkline LNG's FERC Gas Tariff.~~ The monthly payment shall also include Fuel Reimbursement and Electric Power Costs pursuant to Sections 19 and 20 of the General Terms and Conditions. Additional Capacity Charge = \$60,000 per day from the Modified Expansion In-Service Date to the later of (a) the first anniversary of the Modified Expansion In-Service Date or (b) December 31, 2008 and, thereafter, \$75,000 per day from the later of (a) the first anniversary of the Modified Expansion In-Service Date or (b) January 1, 2009. The Monthly Payment shall continue until December 31, 2015.

Issued by: Michael T. Langston
Sr. Vice President
Issued on: July 7, 2006

Effective: July 8, 2006

RATE SCHEDULE FTS (Continued)
FIRM TERMINAL SERVICE

2.3 In no event shall TLNG be obligated to provide any Terminal Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES

The rates and charges for firm service under this Rate Schedule FTS shall be as follows:

3.1 Reservation Charge

The monthly Reservation Charge shall be the product of one-tenth (1/10th) of Shipper's MCSC, the greater of the Days during the month in which Terminal Service is reserved or utilized, and the reservation rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.2 Usage Charge

The monthly Usage Charge shall be the product of the actual Quantity of LNG received during the Month and the usage rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.3 Surcharges

The Reservation and Usage Charges shall include all applicable surcharges, ~~including the Electric Power Cost Adjustment set forth in Section 20 of the General Terms and Conditions,~~ and any other applicable charges specified in the General Terms and Conditions and as may be set forth on the effective Tariff Sheet No. 5 from time to time or which otherwise may be applicable to service under this Rate Schedule FTS.

3.4 Overrun Charge

The monthly Overrun Charge shall be the product of the actual Quantity of LNG received in excess of Shipper's MCSC for each Day, as specified in the Service Agreement, during the Month in which Terminal Service is utilized and the overrun rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

RATE SCHEDULE FTS (Continued)
FIRM TERMINAL SERVICE

3.5 Range of Rates

Unless otherwise agreed to in writing between Shipper and TLNG, any rate applicable to Shipper for service hereunder shall be the applicable Maximum Rate set forth on the effective Tariff Sheet No. 5, plus all applicable surcharges and any other charges specified in the General Terms and Conditions, as may be applicable from time to time. If an amount less than the applicable Maximum Rate and not less than the applicable Minimum Rate is agreed upon, such amount shall be applied prospectively. TLNG shall be responsible for compliance with any reporting requirements prescribed by the Commission. TLNG shall not be required to enter into any Service Agreement for Terminal Service at a rate less than the Maximum Rate per Dt.

3.6 Fuel Reimbursement

~~Shipper shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas in accordance with Section 19 of the General Terms and Conditions. TLNG shall adjust Shipper's Stored Volume accordingly. Shipper shall reimburse TLNG in kind for fuel usage and lost or unaccounted for Gas. The monthly Fuel Reimbursement shall be the product of the actual Quantity of Regasified Gas delivered during the Month and the Fuel Reimbursement percentage, as set forth on effective Tariff Sheet No. 5.~~

3.7 Electric Power Costs

~~Shipper shall reimburse TLNG for its monthly pro rata share of Electric Power Costs in accordance with Section 20 of the General Terms and Conditions.~~

3.78 Balancing and Other Charges

If balancing or other charges are incurred in accordance with the General Terms and Conditions, then such charges shall also be applicable.

3.89 Negotiated Rates

Shipper and TLNG may agree, on a prospective basis, to a Negotiated Rate with respect to the charges identified in Sections 3.1 and 3.2 herein. Such Negotiated Rate shall be set forth on Exhibit B of the executed Service Agreement and on the currently effective Tariff Sheet No. 6. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate.

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.

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 3.89 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 ITS (Continued)
INTERRUPTIBLE TERMINAL SERVICE

LNG may be received at any time in accordance with the Service Agreement, subject to daily nomination by Shipper and available MCSC. LNG or Regasified LNG may be delivered at any time in accordance with the Service Agreement, subject to daily nomination by Shipper and available Stored Volume. The available Stored Volume shall be increased, up to the MCSC, by the Quantity of LNG that Shipper transfers into Storage in accordance with Section 4.4 of the General Terms and Conditions and the Quantity of LNG loaned by TLNG pursuant to Rate Schedule LLS. The available Stored Volume shall be reduced by Shipper's share of Boil-Off and the LNG that Shipper transfers out of Storage in accordance with Section 4.4 of the General Terms and Conditions.

- 2.3 In no event shall TLNG be obligated to provide any Terminal Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES

The rates and charges for interruptible service under this Rate Schedule ITS shall be as follows:

3.1 Inventory Charge

The Monthly Inventory Charge shall be the product of the Inventory Charge per Dt as set forth on effective Tariff Sheet No. 5 times the average daily Stored Volume for the Month.

3.2 Usage Charge

The monthly Usage Charge shall be the product of the actual Quantity of LNG received during the Month and the usage rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.3 Surcharges

The Monthly Inventory Charge and Usage Charge shall include all applicable surcharges, ~~including the Electric Power Cost Adjustment set forth in Section 20 of the General Terms and Conditions,~~ and any other applicable charges specified in the General Terms and Conditions and as may be set forth on the effective Tariff Sheet No. 5 from time to time or which otherwise may be applicable to service under this Rate Schedule ITS.

RATE SCHEDULE ITS (Continued)
INTERRUPTIBLE TERMINAL SERVICE

3.4 Range of Rates

Unless otherwise agreed to in writing between Shipper and TLNG, any rate applicable to Shipper for service hereunder shall be the applicable Maximum Rate set forth on the effective Tariff Sheet No. 5, plus all applicable surcharges and any other charges specified in the General Terms and Conditions, as may be applicable from time to time. If an amount less than the applicable Maximum Rate and not less than the applicable Minimum Rate is agreed upon, such amount shall be applied prospectively. TLNG shall be responsible for compliance with any reporting requirements prescribed by the Commission. TLNG shall not be required to enter into any Service Agreement for Terminal Service at a rate less than the Maximum Rate per Dt.

3.5 Fuel Reimbursement

~~Shipper shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas in accordance with Section 19 of the General Terms and Conditions. TLNG shall adjust Shipper's Stored Volume accordingly. Shipper shall reimburse TLNG in kind for fuel usage and lost or unaccounted for Gas. The monthly Fuel Reimbursement shall be the product of the actual Quantity of Regasified Gas delivered during the Month and the Fuel Reimbursement percentage, as set forth on effective Tariff Sheet No. 5.~~

3.6 Electric Power Costs

Shipper shall reimburse TLNG for its monthly pro rata share of Electric Power Costs in accordance with Section 20 of the General Terms and Conditions.

3.67 Balancing and Other Charges

If balancing or other charges are incurred in accordance with the General Terms and Conditions, then such charges shall also be applicable.

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 ITS.

In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule ITS, the provisions of this Rate Schedule ITS 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 ITS 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

2.3 In no event shall TLNG be obligated to provide any Terminal Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES

The rates and charges for firm service under this Rate Schedule FTS-2 shall be as follows:

3.1 Reservation Charge

The monthly Reservation Charge shall be the product of one-tenth (1/10th) of Shipper's MCSC, the greater of the Days during the month in which Terminal Service is reserved or utilized, and the reservation rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.2 Usage Charge

The monthly Usage Charge shall be the product of the actual Quantity of LNG received during the Month and the usage rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.3 Surcharges

The Reservation and Usage Charges shall include all applicable surcharges, ~~including the Electric Power Cost Adjustment set forth in Section 20 of the General Terms and Conditions,~~ and any other applicable charges specified in the General Terms and Conditions and as may be set forth on the effective Tariff Sheet No. 5 from time to time or which otherwise may be applicable to service under this Rate Schedule FTS-2.

3.4 Overrun Charge

The monthly Overrun Charge shall be the product of the actual Quantity of LNG received in excess of Shipper's MCSC for each Day, as specified in the Service Agreement, during the Month in which Terminal Service is utilized and the overrun rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

RATE SCHEDULE FTS-2 (Continued)
FIRM TERMINAL SERVICE

3.5 Range of Rates

Unless otherwise agreed to in writing between Shipper and TLNG, any rate applicable to Shipper for service hereunder shall be the applicable Maximum Rate set forth on the effective Tariff Sheet No. 5, plus all applicable surcharges and any other charges specified in the General Terms and Conditions, as may be applicable from time to time. If an amount less than the applicable Maximum Rate and not less than the applicable Minimum Rate is agreed upon, such amount shall be applied prospectively. TLNG shall be responsible for compliance with any reporting requirements prescribed by the Commission. TLNG shall not be required to enter into any Service Agreement for Terminal Service at a rate less than the Maximum Rate per Dt.

3.6 Fuel Reimbursement

~~Shipper shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas in accordance with Section 19 of the General Terms and Conditions. TLNG shall adjust Shipper's Stored Volume accordingly. Shipper shall reimburse TLNG in kind for fuel usage and lost or unaccounted for Gas. The monthly Fuel Reimbursement shall be the product of the actual Quantity of Regasified Gas delivered during the Month and the Fuel Reimbursement percentage, as set forth on effective Tariff Sheet No. 5.~~

3.7 Electric Power Costs

Shipper shall reimburse TLNG for its monthly pro rata share of Electric Power Costs in accordance with Section 20 of the General Terms and Conditions.

3.78 Balancing and Other Charges

If balancing or other charges are incurred in accordance with the General Terms and Conditions, then such charges shall also be applicable.

3.89 Negotiated Rates

Shipper and TLNG may agree, on a prospective basis, to a Negotiated Rate with respect to the charges identified in Sections 3.1 and 3.2 herein. Such Negotiated Rate shall be set forth on Exhibit B of the executed Service Agreement and on the currently effective Tariff Sheet No. 6. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate.

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.

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 3.89 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.

RATE SCHEDULE ITS-2 (Continued)
INTERRUPTIBLE TERMINAL SERVICE

LNG may be received at any time in accordance with the Service Agreement, subject to daily nomination by Shipper and available MCSC. LNG or Regasified LNG may be delivered at any time in accordance with the Service Agreement, subject to daily nomination by Shipper and available Stored Volume. The available Stored Volume shall be increased, up to the MCSC, by the Quantity of LNG that Shipper transfers into Storage in accordance with Section 4.4 of the General Terms and Conditions and the Quantity of LNG loaned by TLNG pursuant to Rate Schedule LSSLLS. The available Stored Volume shall be reduced by Shipper's share of Boil-Off and the LNG that Shipper transfers out of Storage in accordance with Section 4.4 of the General Terms and Conditions.

- 2.3 In no event shall TLNG be obligated to provide any Terminal Service for which capacity is not available or which would require the construction or acquisition of new facilities or the modification or expansion of existing facilities.

3. RATES

The rates and charges for interruptible service under this Rate Schedule ITS-2 shall be as follows:

3.1 Inventory Charge

The Monthly Inventory Charge shall be the product of the Inventory Charge per Dt as set forth on effective Tariff Sheet No. 5 times the average daily Stored Volume for the Month.

3.2 Usage Charge

The monthly Usage Charge shall be the product of the actual Quantity of LNG received during the Month and the usage rate per Dt for service, as set forth on the effective Tariff Sheet No. 5.

3.3 Surcharges

The Monthly Inventory Charge and Usage Charge shall include all applicable surcharges, ~~including the Electric Power Cost Adjustment set forth in Section 20 of the General Terms and Conditions,~~ and any other applicable charges specified in the General Terms and Conditions and as may be set forth on the effective Tariff Sheet No. 5 from time to time or which otherwise may be applicable to service under this Rate Schedule ITS-2.

RATE SCHEDULE ITS-2 (Continued)
INTERRUPTIBLE TERMINAL SERVICE

3.4 Range of Rates

Unless otherwise agreed to in writing between Shipper and TLNG, any rate applicable to Shipper for service hereunder shall be the applicable Maximum Rate set forth on the effective Tariff Sheet No. 5, plus all applicable surcharges and any other charges specified in the General Terms and Conditions, as may be applicable from time to time. If an amount less than the applicable Maximum Rate and not less than the applicable Minimum Rate is agreed upon, such amount shall be applied prospectively. TLNG shall be responsible for compliance with any reporting requirements prescribed by the Commission. TLNG shall not be required to enter into any Service Agreement for Terminal Service at a rate less than the Maximum Rate per Dt.

3.5 Fuel Reimbursement

~~Shipper shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas in accordance with Section 19 of the General Terms and Conditions. TLNG shall adjust Shipper's Stored Volume accordingly. Shipper shall reimburse TLNG in kind for fuel usage and lost or unaccounted for Gas. The monthly Fuel Reimbursement shall be the product of the actual Quantity of Regasified Gas delivered during the Month and the Fuel Reimbursement percentage, as set forth on effective Tariff Sheet No. 5.~~

3.6 Electric Power Costs

~~Shipper shall reimburse TLNG for its monthly pro rata share of Electric Power Costs in accordance with Section 20 of the General Terms and Conditions.~~

3.67 Balancing and Other Charges

If balancing or other charges are incurred in accordance with the General Terms and Conditions, then such charges shall also be applicable.

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 ITS-2.

In the event of a conflict between the General Terms and Conditions and the provisions of this Rate Schedule ITS-2, the provisions of this Rate Schedule ITS-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 ITS-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
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GENERAL TERMS AND CONDITIONS
(Continued)

19. FUEL REIMBURSEMENT-ADJUSTMENT

19.1 Shippers under Rate Schedules FTS, FTS-2, ITS and ITS-2 shall reimburse TLNG in kind for fuel use and lost or unaccounted for Gas. TLNG shall flow through fuel use and lost or unaccounted for Gas to Shipper(s) on a monthly basis. TLNG shall retain a pro rata share of Regasified LNG delivered for the account of Shipper as reimbursement for fuel usage and gas otherwise used or lost and unaccounted for in TLNG's operations. Pro rata share shall mean the ratio of the Quantity of Regasified LNG delivered by TLNG for Shipper during the applicable month to the total Quantity of Regasified LNG delivered for all Shippers during the applicable month. In the event no Quantities of Regasified LNG are delivered by TLNG in a given month, the fuel use and lost or unaccounted for gas shall be allocated to Shippers based upon the ratio of Shipper's average daily Stored Volume during the applicable month to the sum of the average daily Stored Volume of all Shippers during the applicable month. In the event the average daily Stored Volume for all Shippers is zero, the actual fuel usage and lost or unaccounted for Gas will be allocated based on the ratio of Shipper's Maximum Contract Storage Capacity (MCSC) to the sum of the MCSC set forth on all firm Service Agreements. Fuel use shall consist of Gas used as fuel for vaporization and other Terminal operations, and lost or unaccounted for Gas. Shipper's Stored Volume shall be reduced by Shipper's pro rata share of the Terminal's fuel use and lost or unaccounted for Gas but shall not be reduced below zero. If Shipper's Stored Volume is insufficient to cover this Quantity, any such deficiency shall be deducted from Shipper's next subsequent LNG shipment received at the Terminal.

19.2 Upon the effective date of Second Revised Sheet No. 123 of this Section 19, Fuel Reimbursement, and in accordance with the Notice of Responsibility of Deferred Amounts in previously effective Section 19, Fuel Reimbursement Adjustment, specifically Section 19.5, each Shipper that received Terminal Service during the period affected by such Deferred Fuel Reimbursement Account shall be responsible to TLNG for its proportionate share of the amount of TLNG's unrecovered deferred Fuel Reimbursement. If Shipper's Stored Volume is insufficient to cover this Quantity, any such deficiency shall be deducted from Shipper's next subsequent LNG shipment received at the Terminal.

~~The Fuel Reimbursement percentages under Rate Schedules FTS, FTS-2, ITS and ITS-2 shall be adjusted downward to reflect reductions and shall be adjusted upward to reflect increases in fuel usage, including miscellaneous fuel usage, and lost or unaccounted for Gas in accordance with this Section 19.~~

~~19.1 Filing Procedures~~

~~(A) Effective Date of Adjustment~~

~~The effective date of each fuel reimbursement adjustment shall be August 1.~~

~~(B) At least thirty (30) days prior to August 1 TLNG shall file with the Commission schedules supporting the Current Fuel Reimbursement Percentages and the Annual Fuel Reimbursement Surcharge.~~

~~(C) Such filing shall be in lieu of any other rate change filing required by the Commission's Regulations under the Natural Gas Act.~~

~~19.2 Computation of Effective Fuel Reimbursement Percentage~~

~~The Effective Fuel Reimbursement Percentage shall be the sum of the Current Fuel Reimbursement Percentage and the Annual Fuel Reimbursement Surcharge.~~

~~19.3 Computation of Current Fuel Reimbursement Percentage~~

~~The Current Fuel Reimbursement Percentage shall be determined on the basis of (i) the estimated Quantities of Regasified LNG to be delivered by TLNG for the account of Shippers and (ii) the projected Quantities of Gas that shall be required for fuel usage, miscellaneous fuel usage and Lost and Unaccounted for Gas.~~

~~19.4 Computation of the Annual Fuel Reimbursement Surcharge~~

~~(A) The Annual Fuel Reimbursement Surcharge shall be computed by dividing the balance, four Months prior to August 1, of the Deferred Fuel Reimbursement Account by the Quantity of Regasified LNG projected to be delivered pursuant to Rate Schedules FTS, FTS-2, ITS and ITS-2 for the Recovery Period.~~

GENERAL TERMS AND CONDITIONS
(Continued)

19. FUEL REIMBURSEMENT ADJUSTMENT—(Continued)

19.3 Notice of Responsibility for Fuel Reimbursement

In the event this Section 19 shall be changed in any manner that adversely affects TLNG's recovery of the full amount of fuel use and lost or unaccounted for Gas, each Shipper that received Terminal Service during the affected period shall be responsible to TLNG for its proportionate share of the amount of TLNG's fuel use and lost or unaccounted for Gas for the Terminal Service which it was provided.

~~(B) The Recovery Period for the Annual Fuel Reimbursement Surcharge shall be the twelve (12) billing Months beginning August 1.~~

~~(C) TLNG shall maintain a Deferred Fuel Reimbursement Account with appropriate subaccounts, beginning with the effective date of this Section 19. For each billing Month, the applicable subaccounts shall be increased or decreased for a positive or negative change in Fuel Reimbursement for the billing Month.~~

~~(D) The deferred Fuel Reimbursement for each billing Month shall be the difference between (1) the applicable currently effective Fuel Reimbursement percentage for the billing Month multiplied by the Quantity of regasified LNG delivered during the billing Month and (2) the actual Quantity of Gas expended for fuel usage, including miscellaneous fuel usage, and lost or unaccounted for Gas during the billing Month.~~

~~19.5 **Notice of Responsibility of Deferred Amounts**~~

~~In the event this Section 19 shall be changed in any manner that adversely affects TLNG's recovery of the full amount of fuel amounts reflected in its deferred fuel accounts, each Shipper that received Terminal Service during the period affected by such fuel adjustment deferred account shall be responsible to TLNG for its proportionate share of the amount of TLNG's unrecovered deferred fuel amounts for the Terminal Services which they were provided.~~

GENERAL TERMS AND CONDITIONS
(Continued)

20. ELECTRIC POWER COST ADJUSTMENT/REIMBURSEMENT

20.1 Each Shipper under Rate Schedule FTS, FTS-2, ITS or ITS-2 shall reimburse TLNG for its pro rata share of Electric Power Costs. TLNG shall flow through Electric Power Costs to Shipper(s) on a monthly basis. Each Shipper's pro rata share shall be calculated by multiplying the Electric Power Costs by the ratio of the actual Quantities of LNG received at the Terminal for Shipper's account during the applicable month to the sum of the actual Quantities of LNG received at the Terminal for all Shippers during the applicable month. In the event no Quantities of LNG are received at the Terminal in a given month, the Electric Power Costs shall be allocated to Shippers based upon the ratio of Shipper's average daily Stored Volume during the applicable month to the sum of the average daily Stored Volume of all Shippers during the applicable month. In the event the average daily Stored Volume for all Shippers is zero, Electric Power Costs will be allocated based on the ratio of Shipper's Maximum Contract Storage Capacity (MCSC) to the sum of the MCSC set forth on all firm Service Agreements. Electric Power Costs subject to this Section 20 shall consist of all costs, fees, surcharges and other costs included in billings from third party electric providers and the cost of natural gas used for stand-by generation incurred during the applicable month.

20.2 Upon the effective date of Second Revised Sheet No. 125 of this Section 20, Electric Power Cost Reimbursement, and in accordance with the Notice of Responsibility of Deferred Account in previously effective Section 20, Electric Power Cost Adjustment, specifically Section 20.5, each Shipper that received Terminal Service during the period affected by such Deferred Electric Power Cost Account shall be responsible to TLNG for its proportionate share of the amount of TLNG's unrecovered deferred Electric Power Costs.

20.3 Notice of Responsibility for Electric Power Cost Reimbursement

In the event this Section 20 shall be changed in any manner that adversely affects TLNG's recovery of the full amount of Electric Power Costs, each Shipper that received Terminal Service during the affected period shall be responsible to TLNG for its proportionate share of the amount of TLNG's Electric Power Costs for the Terminal Service it was provided.

~~The Usage rates for Terminal Service under Rate Schedules FTS, FTS-2, ITS and ITS-2 shall be adjusted downward to reflect reductions and shall be adjusted upward to reflect increases in the Electric Power Costs. Electric Power Costs shall consist of all incremental charges for the purchase of electric power used at the Terminal.~~

~~20.1 Filing Procedure~~

~~(A) Effective Date of Adjustment~~

GENERAL TERMS AND CONDITIONS
(Continued)

~~The effective date of the each Electric Power Cost Adjustment shall be August 1.~~

- ~~(B) At least thirty (30) days prior to August 1, TLNG shall file with the Commission schedules supporting the Current Electric Power Cost Adjustment and the Annual Electric Power Cost Surcharge.~~
- ~~(C) Such filing shall be in lieu of any other rate change filing required by the Commission's Regulations under the Natural Gas Act.~~

~~20.2 Computation of Effective Electric Power Cost Adjustment~~

~~The Effective Electric Power Cost Adjustment shall be the sum of the Current Electric Power Cost Adjustment and the Annual Electric Power Surcharge. The Effective Electric Power Cost Adjustment shall be computed to the nearest 1/100th of a cent.~~

~~20.3 Computation of Current Electric Power Cost Adjustment~~

~~The Current Electric Power Cost Adjustment shall be determined by subtracting the Base Electric Power Cost Unit from the Current Electric Power Cost Unit for the Recovery Period.~~

- ~~(A) The Base Electric Power Cost Unit shall be \$.0136 per Dt.~~
- ~~(B) The Current Electric Power Cost Unit for the Recovery Period shall be determined on the basis of (i) the projected Electric Power Costs for the Recovery Period and (ii) the projected Quantities of LNG to be received during the Recovery Period.~~
- ~~(C) The Recovery Period shall be the twelve (12) billing Months beginning August 1.~~

RESERVED FOR FUTURE USE

~~GENERAL TERMS AND CONDITIONS~~
(Continued)

~~20. ELECTRIC POWER COST ADJUSTMENT (Continued)~~

~~20.4 Computation of the Annual Electric Power Cost Surcharge~~

~~(A) The Annual Electric Power Cost Surcharge shall be computed by dividing the balance, determined four Months prior to August 1, of the Deferred Electric Power Cost Account by the Quantity of LNG projected to be received during the Recovery Period.~~

~~(B) The Recovery Period shall be the twelve (12) billing Months beginning August 1.~~

~~(C) TLNG shall maintain a Deferred Electric Power Costs Account with appropriate subaccounts, beginning with the effective date of Section 20. For each billing Month, all Electric Power Costs incurred by TLNG shall be debited to this account and all Electric Power Costs recovered by TLNG shall be credited to this account. The Electric Power Cost recovered shall be determined by multiplying the sum of the applicable Electric Power component of the Usage rate plus the corresponding Effective Electric Power Cost Adjustment for each rate schedule by the respective monthly usage units to be billed.~~

~~20.5 Notice of Responsibility of Deferred Account~~

~~In the event this Section 20 shall be changed in any manner that adversely affects TLNG's recovery of the full amount of Electric Power Costs reflected in its Deferred Electric Power Cost Account, each shipper that received Terminal Service during the period affected by such Deferred Electric Power Cost Account shall be responsible to TLNG for its proportionate share of the amount of TLNG's unrecovered deferred Electric Power Costs for the Terminal Service which they were provided.~~

RATE SCHEDULE FTS (Continued)
FIRM TERMINAL SERVICE
FORM OF SERVICE AGREEMENT

EXHIBIT B

Contract No. _____

NEGOTIATED RATE AGREEMENT

Shipper agrees to the Negotiated Rate option in accordance with Section 3.89 of Rate Schedule FTS and notifies TLNG that it desires to be billed, and agrees to pay, the charges specified below for the period commencing _____, _____ and continuing until _____, _____. Shipper acknowledges that this election is an alternative to the billing of charges for Rate Schedule FTS set forth on effective Tariff Sheet No. 5, as revised from time to time. Shipper also acknowledges that its election constitutes waiver of its reliance on and its right to use the recourse rates which are available to it under the Rate Schedule FTS.

Specification of Negotiated Rate:

Trunkline LNG Company, LLC

BY: _____

(Please type or print name)

SHIPPER: _____

BY: _____

(Please type or print name)

DATED: _____

SUPERSEDES EXHIBIT B DATED: _____

RATE SCHEDULE FTS-2 (Continued)
FIRM TERMINAL SERVICE
FORM OF SERVICE AGREEMENT

EXHIBIT B

Contract No.

NEGOTIATED RATE AGREEMENT

Shipper agrees to the Negotiated Rate option in accordance with Section 3.89 of Rate Schedule FTS-2 and notifies TLNG that it desires to be billed, and agrees to pay, the charges specified below for the period commencing on _____, _____ and continuing until _____, _____. Shipper acknowledges that this election is an alternative to the billing of charges for Rate Schedule FTS-2 set forth on effective Tariff Sheet No. 5, as revised from time to time. Shipper also acknowledges that its election constitutes waiver of its reliance on and its right to use the recourse rates which are available to it under the Rate Schedule FTS-2.

Specification of Negotiated Rate:

TRUNKLINE LNG COMPANY, LLC

BY: _____

(Please type or print name)

SHIPPER: _____

BY: _____

(Please type or print name)

DATED: _____

SUPERSEDES EXHIBIT B DATED: _____