1. Definitions
   (a) "Applicable Sales Rate" shall mean the Company's sales rate the Customer would purchase system supply gas under.

   (b) "Balance" and "Balancing" shall mean the Customer's obligation to make daily Deliveries equal daily receipts, with due consideration given to Lost and Unaccounted-For Gas quantities.

   (c) Customer Charge" shall mean that portion of the amount to be paid per billing period by the Customer for gas Transportation Service which is a fixed amount without regard to Daily Contract demand, Daily Limit or quantity of gas delivered.

   (d) "Billing Day" shall be the same as the gas day established in the tariff of the pipeline delivering gas to the Company's distribution system.

   (e) "Billing Period", "Billing Month", and "Month" shall mean the period beginning at the starting time for the Billing Day, on the first day of a calendar month and ending at the same hour on the first day of the next succeeding calendar month, unless a different period of time is specified in the Contract.

   (f) "Btu" shall mean one British thermal unit, i.e., the quantity of heat that must be added to raise the temperature of one pound of water one degree Fahrenheit from 50°F to 60°F under standard pressure of 30 inches of mercury.

   (g) "Capacity" shall mean the maximum gas load which any part of the Company's system is capable of delivering on a sustained basis under operating conditions relevant to the determination of system load.

   (h) "Commodity Charge" shall mean that portion of the amount to be paid monthly by the Customer for gas service which is based upon the total quantity of gas delivered to the Customer at the Delivery Point.

   (i) "Commodity" shall mean the quantity of gas delivered to the Customer at the Delivery Point.

   (j) "Commission" or "Board" or "IUB" shall mean Iowa Utilities Board.

   (k) "Company" or "Interstate" or "IP&L" shall mean Interstate Power and Light Company.

   (l) "Company-used Gas" shall mean the quantity of gas consumed by the Company for purposes of Company gas operations.

   (m) "Contract" shall mean a written agreement, substantially in the form set forth in the Company's effective Gas Transportation Agreement, providing for gas Transportation Service, which is executed by the Company and the Customer, and any exhibits, attachments, and/or amendments thereto.

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(n) "Constraint Day" shall mean any day on which, in the sole judgement of the Company, curtailment or interruption may be required due to capacity constraints, supply shortages, or any other cause whatsoever. Low flow constraint day shall mean any day on which restriction on deliveries to the Company system may be required due to excess supply or any other cause whatsoever. A High flow or Low flow constraint day may be declared with respect to any one or more Receipt Points. The Company shall make every effort to give the Customer notice of a High flow or Low flow constraint day two (2) hours prior to the beginning of the gas day, but may give such notice at any time.

(o) "Curtailment" shall mean a partial reduction of the quantities of gas which the Company would otherwise deliver to the Customer under a given transportation contract, whether due to capacity constraint, supply shortage, force majeure, or any other cause whatsoever.

(p) "Curtailment Quantity" shall mean the lesser of the quantity released by the pipeline for the account of Customer, the quantity credited by the pipeline on its invoice to the Company for the account of Customer or the daily quantity allowed by the Company.

(q) "Customer" shall mean any person, association, firm, public or private corporation, or any agency of the federal, state, or local government or legal entity responsible by law for payment for gas service at a single location.

(r) "Day" or "Daily" or "Gas Day" shall be the same as the gas day established in the tariff of the pipeline delivering gas to the Company's distribution system.

(s) "Daily Contract Demand" shall mean the daily maximum quantity of firm pipeline supply or capacity maintained contractually by the Company with one or more pipeline suppliers on behalf of customers.

(t) "Deliveries" shall mean the quantity of gas the Company delivers on a daily basis at the Delivery Point.

(u) "Delivery Point" shall mean the location where the Company’s gas distribution facilities are interconnected with the Customer's facilities and where the Customer and the Company have agreed that transportation gas received at the Receipt Point will be delivered by the Company to the Customer. A Delivery Point shall be the Company's historical site for the sale of gas to the Customer.

(v) "Demand Charge" shall mean that portion of the amount to be paid monthly by the Customer for gas Transportation Service which is based upon the Customer's Daily Limit and/or storage service charges as set forth in the Contract.

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(w) "Gas" shall mean natural gas that is received by the Company from a transporting pipeline at the Receipt Point and redelivered by the Company to the Delivery Point; in addition, the term shall include quantities of liquefied natural gas and/or propane that are introduced by the Company into its gas distribution system and delivered to the Customer as the equivalent of sales or transportation gas that the Customer is otherwise entitled to have delivered by the Company.

(x) "Interruption" shall mean the total cessation of gas Transportation Service and/or sales under a given Contract, whether due to capacity constraint, supply shortage, force majeure, or any other cause whatsoever.

(y) "Lost and Unaccounted-For Gas" shall mean the difference between the sum of all input quantities of gas received into the Company's system and the sum of all output quantities of gas delivered from the Company's system, which difference shall exclude Company-used gas and shall include, but not be limited to, gas vented and lost as a result of an event of force majeure.

(z) "Maximum Monthly Transportation Quantity" shall mean the quantity of gas determined by multiplying the Daily Limit by the number of days in a month in which transportation gas was available.

(aa) "MCF" shall mean 1,000 cubic feet of gas.

(bb) "MMBtu" or "Dekatherm" shall mean one million Btu.

(cc) "Monthly Standby Entitlement" shall mean the applicable pipeline quantities which the Customer has committed to in its Contract for Transportation Service with the Company.

(dd) "Natural Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting principally of methane.

(ee) "Nominations" shall mean the quantity of gas that the Company is requested to transport on a daily basis from the Receipt Point to the Delivery Point.

(ff) "Overrun" or "Overrun Penalty" shall mean the quantity of gas that the Customer takes from Company supply in excess of nominations delivered for transport on a daily basis from the Receipt Point to the Delivery Point plus any tolerance allowed or contracted for with the Company.

(gg) "Receipt Point" or "Point of Receipt" shall mean the point at which the transporting pipeline's facilities are interconnected with the Company's facilities. A Receipt Point is the town border station or pipeline gate station applicable to the Delivery Point.

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(hh) "Receipts" shall mean the quantity of gas received by Company from the transporting pipeline on a daily basis for the account of a Customer.

(ii) "Service" or "Transportation Service" or "Throughput Service" shall mean the availability of the transportation of gas by the Company to the Customer whether or not gas is actually transported.

(jj) "Daily Limit" shall mean the firm quantity of gas Company agrees to transport on behalf of customer under TF rates, as specified in the Contract.

(kk) "Therm" shall mean 100,000 Btu.

(ll) "Transportation" shall mean transportation of Gas.

(mm) "Unauthorized Gas" shall mean any volumes delivered to a Company system which have not been nominated in any amount by a transportation Customer to the Company, gas delivered in excess of the nomination level approved for scheduled delivery by the Company, gas taken from the Company's system supply without prior written approval or delivered without the Customer having an End-User Balancing Agreement in effect when such a service is available from the pipeline.

2. Balancing

   Customer's nominations and receipts shall be balanced on a daily basis. Any difference between the customer's nominations and receipts, as adjusted for Lost and Unaccounted-For Gas, shall be considered an imbalance. The Company reserves the right to change and/or not accept a transportation customer's nominations because they do not reflect actual usage by the customer, because of system limitations, because of limitations or conditions in the Company's system supply or because of limitations on the Company's system balancing capacity.
Excess daily deliveries will not be carried forward by the Company. If excess deliveries by transportation customers result in the Company not meeting the minimum gas take requirements on the Company’s gas supply contracts, the transportation customers will be responsible, in direct proportion to the amount of excess deliveries they made to the Company’s system.

The Company reserves the right to install and use flow control devices for customers who take gas in excess of nomination levels, such that the customer would cause harm to the system, operate with disregard to proper nominating procedures, take overrun gas without authorization and/or cause substantial penalties to accrue.

3. **Contract** Customer shall execute a written Contract for transportation of customer-owned gas hereunder.

4. **Minimum Term** The minimum term of the Contract shall be one year.

5. **Filing** Transportation will not commence until the Customer files with the Company complete copies of all applicable documentation, including but not limited to all documentation of ownership and authorization required by any state or federal regulatory body with jurisdiction; provided, however, that the Company may temporarily waive this requirement in cases of emergency; and provided, further, that the Customer may black out or otherwise delete from such documents information concerning the price paid for gas supplies and upstream transportation.

6. **Gas Quality** Gas purchased by Customer from a third party for Transportation by the Company shall be commercially clean and merchantable. Such gas shall be comparable in quality to and interchangeable with gas purchased from the Company's supplier. The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.

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7. **Thermal Balancing** Interstate and the transportation Customer shall receive and deliver thermally equivalent gas volumes as nearly as practicable at a uniform hourly and daily rates of flow. Subject to the provisions of Section 8 of these General Terms and Conditions for Transportation Service, the quantity of transportation gas received by the Company from the transporting pipeline and the quantity of transportation gas delivered to the Customer under the applicable Schedule shall be thermally balanced. For delivery systems with a single source of gas supply, the transporting pipeline's statement as to volumes, heating value, and thermal balancing shall be taken as conclusive. For delivery systems with multiple sources of gas supply, the Company shall determine the heating value of gas delivered to the Customer in order to implement the requirement for thermal balancing.

8. **Lost and Unaccounted-For Gas** The quantity of transportation gas received from the transporting pipeline will be reduced, upon delivery to the Customer, by a fixed percentage, which shall represent compensation for Company-used gas and Lost and Unaccounted-For Gas. Such fixed percentage may be separately established by the Company for each of the Company's distribution systems, or parts thereof, and shall be set forth in the Contract. This percentage may be adjusted by the Company from time to time.

9. **Liability**
   (a) **General** Gas shall be and shall remain the property of the Customer while being transported and delivered by the Company. The Company shall not be liable to the Customer for any loss arising from or out of gas Transportation Service while in the Company's system or for any other cause, except for gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the Customer with other gas supplies including propane and liquefied natural gas.

   (b) **Insurance** The Customer shall be responsible for determining the extent of and maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

10.a **Metering** The Customer shall be responsible for the additional cost of meters and any related equipment that the Company will need to monitor the Customers' daily nominations and deliveries. If directed by the Company, the Customer shall read the Company's meter each day at the time specified by the Company and report such reading to the Company.

10.b **Contribution for Construction** Prior to the start of construction, the Customer shall pay a non-refundable cash contribution equal to the cost of constructing any additional plant required to provide transportation service or 1.6% per month charge of plant investment.

11. **Order of Deliveries of Gas** At times the Company may be delivering gas to the Delivery Point under more than one Schedule. In such event the order of deliveries on any day, as among the applicable Schedules, shall be: first, firm sales gas; second, firm transportation gas; third, interruptible sales gas; and fourth, interruptible transportation gas.

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12. **Capacity Curtailment or Interruption**
   (a) If the Company is required to curtail or interrupt service due to Capacity constraints or supply shortage, the Company’s interruptible sales and Interruptible Transportation Services shall have a priority subordinate to the Company’s firm sales and Firm Transportation Services. Such firm sales and Firm Transportation Services shall be curtailed in accordance with the end-use priorities set forth in the Service Rules and Regulations of Company.

   (b) As between interruptible sales and Interruptible Transportation Services when required by capacity constraints, Interruptions shall be in accordance with the end-use priorities set forth in the Service Rules and Regulations for Gas Service of Company.

   (c) On a "Constraint Day", as declared by the pipeline, transportation Customers may be restricted in the amount of deliveries they can receive. It is the responsibility of the Customer to be aware of Constraint Day alerts from the transporting pipeline.

   (d) A penalty of $10.00 per MMBtu in addition to the system supply gas cost and applicable pipeline charges will apply for any gas taken in excess of authorized volumes taken during periods of curtailment or interruption.

13. **Request for Service**
   (a) Requests for service under any transportation Schedule must be made by filing with the Company. The information required on the form entitled “Transportation Agreement” for the Company’s effective Gas Transportation Tariff.

   (b) Transportation Service will be provided on a "first-come/first-served" basis on a per class basis.

   (c) After a Request for Transportation Service is approved, the applicant shall have 15 days from notification of approval to execute and send to the Company a contract of Transportation Agreement. If such Contract is not executed by the Customer and received by the Company within such period, the Request for Transportation Service shall be deemed null and void.

   (d) A Request for Service will not be approved, and a first-come/first-served priority rating for service will not be determined and assigned, until all the information required by the Transportation Agreement has been delivered to the Company and any fee set forth in the applicable Schedule has been paid. The Company reserves the right to request additional information from any applicant, but requesting such information will not reduce the priority rating for service if the applicant has otherwise provided all of the information and paid the fees as required for this service.

   (e) Customer wishing to receive transportation service must pay the Company for the discounted value of any and all contracts the Customer has remaining in effect at the time of commencement of transportation service.

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14. **Nominations** Customers will be responsible for handling the responsibilities of nominating gas supply with the Customer's pipeline transporter, and notifying the Company of the daily nomination level in accordance with the time tables established by the pipeline for their respective transportation service. Agents may nominate in lieu of the customer, if the Company is notified (in writing) in advance of gas flow.

15. **Failure to Comply** If the Customer fails to comply with or perform any of the obligations on its part to be complied with or performed under a Schedule and if, after such failure, the Company shall have given Customer written notice of the Company's intention to terminate the Transportation Service on account of such failure, then the Company shall have the right to terminate such Transportation Service at the expiration of five days after the giving of said notice, unless within such five days the Customer shall make good such failure. Termination of such Transportation Service for any such cause shall be a cumulative remedy as to the Company, and shall not release the Customer from its obligation to make payment of any amount or amounts due or to become due from the Customer to the Company under the applicable Schedule. In order to resume Transportation after termination of service hereunder, it shall be necessary for Customer to file a new request for service under Section 13 hereof.

16. **Force Majeure**
   (a) **Definition of Force Majeure** The term "force majeure" as employed herein shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts, material or equipment or labor shortages, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of due diligence, such party is unable to overcome.
   
   (b) **Effect of Force Majeure** If either the Company or the Customer is rendered unable by force majeure to wholly or in part carry out its obligations under the provisions of any Schedule, the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period; and such cause shall, in so far as possible, be remedied with all reasonable dispatch.

17. **Successors and Assigns** Any party which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of any Customer shall be subject to the obligations of its predecessor in title under a Contract. No other assignment of a Contract or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto of the non-assigning party, which consent shall not be unreasonably withheld. Any party may assign its respective right, title, and interest in and to and under a Contract to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of any such
assignee becoming in any respect obligated to perform the obligation of the assignor under a Contract and, if any such trustee be a corporation, without its being required to qualify to do business in any state in which performance of a Contract may occur.

18. **Laws, Regulations, and Orders.** All Contracts and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules, and regulations of any legislative body, or duly constituted authority now or hereafter having jurisdiction and shall be varied and amended to comply with or conform to any valid rule, regulation, order, or direction of any board, tribunal, or administrative agency with jurisdiction that affects any of the provisions of the Contract.

19. **Requests for System Supply Service.** Transportation Customers requesting to return to sales service or system supply reserves shall notify the Company in writing at least 30 days in advance of the time system supply gas or changes in system supply reserves are desired. The Company cannot guarantee availability of system supply gas or system supply capacity by such advance notice or within any specific period of time, and all efforts to return will be made on a best effort basis.

20. **Unauthorized Gas.** Gas received by Company during periods of interruption or curtailment or delivered without Company authorization shall be forfeited to system supply.

21. **Limited System Supply Use.** Transportation Customers may request system supply gas on a daily use basis. Written confirmation is required before Customer's use of system supply gas can commence. Customer must specify a maximum level of usage for the requested day. All volumes taken over the requested level are unauthorized use subject to a $10 per MMBtu charge, plus gas cost as determined by the Company and any pipeline balancing and/or penalty charges that result from Customer using System Supply gas.

Limited System Supply gas used prior to the receipt of confirmation of availability of Limited System Supply the Company will be considered unauthorized gas use, and therefore subject to the aforementioned charges.

Requests for Limited System Supply use should be submitted by Fax no less than 28 hours before the start of the pipeline gas day. Application for such gas will in no way infer that gas will be available from the Company's System Supply. Prior use of Limited System Supply gas does not grant any authorization for use without written approval in any subsequent period. Requests will be confirmed or denied in writing via fax.

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Authorization may be revoked at anytime prior to the gas day as well as during the gas day. Limited System Supply use gas shall always be the first gas subject to curtailment or interruption. The Company reserves the right to curtail or interrupt Limited System Supply gas at any time during the gas day that the Company deems such action necessary and/or appropriate.

When Transportation Customers are utilizing both Limited System Supply gas and Customer's nominated gas supply for the same gas day, the Limited System Supply gas shall be the first gas through the meter on that gas day. The cost per MMBtu will be determined by the Company on a daily basis. Customer will receive an estimate of the gas price with the written approval to use Limited System Supply gas. Gas cost revenue received from Limited System Supply sales shall be used to offset gas costs to sales gas customers.

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