

GENERAL TERMS AND CONDITIONS

4. NOMINATIONS, SCHEDULING, AND SEGMENTATION

4.0 Transporter shall accept nominations twenty-four (24) hours a day via Electronic Communication. All nominations submitted to and accepted by Transporter must contain, at a minimum, the mandatory data elements included in the NAESB standards and any additional elements included in the NAESB standards and any additional business-conditional or mutually agreeable data elements. In addition, nominations must be stated in MMBtu's, and specify a begin and end date, which dates must be for a minimum period of one (1) day, and must be within the term of Shipper's Transportation Service Agreement. At the end of each day, Transporter should provide the final scheduled quantities for the just completed day. With respect to the implementation of this process via NAESB Standards Version 2.0 scheduled quantity related standards, Transporter should send an end of day scheduled quantity document, provided that receivers of the end of day scheduled quantity documents can waive this requirement.

- (a) All new or revised nominations must be communicated via Electronic Communication unless otherwise mutually agreed, and must be submitted in accordance with the standard nomination timelines set forth below. A revised nomination supersedes the previous nomination in effect, but only for the days specified in such revised nomination, after which the previous nomination once again takes effect until its end date or until superseded by another new or revised nomination, whichever is earlier. For the purpose of this Section 4, "provide" shall mean, for transmittals pursuant to NAESB Standard 1.3.2 (Version 1.9), receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

The standard nomination timelines are as follows:

- (1) The Timely Nomination Cycle:
(All times are CCT on the day prior to the Service Day).

1:00 p.m. Latest time that nominations may leave control of the nominating party;

1:15 p.m. Receipt of nominations by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs));

1:30 p.m. Transporter sends quick response;

4:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

5:00 p.m. Receipt of scheduled quantities by Shipper and point operator. Scheduled quantities resulting from the Timely Nomination

Cycle shall be effective at 9:00 a.m. CCT on the next Service Day.

- (2) The Evening Nomination Cycle:
(All times are CCT on the day prior to the Service Day).

6:00 p.m. Latest time that nominations may leave control of the nominating party;

6:15 p.m. Receipt of nominations by Transporter (including from TTTSPs);

6:30 p.m. Transporter sends quick response;

8:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

9:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties.

Scheduled quantities resulting from the Evening Nomination Cycle that does not cause another service requester to receive notice that it is being bumped shall be effective at 9:00 a.m. CCT on the next Service Day; and when an Evening Nomination causes another service requester to receive notice it is being bumped, the scheduled quantities shall be effective at 9:00 a.m.

CCT on the next Service Day.

(3) The Intraday 1 Nomination Cycle:
(All times are CCT on the Service Day).

10:00 a.m. Latest time that nominations may leave control of the nominating party;

10:15 a.m. Receipt of nominations by Transporter (including from TTTSPs);

10:30 a.m. Transporter sends quick response;

12:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

1:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators, and to provide scheduled quantities to bumped parties.

Scheduled quantities resulting from the Intraday 1 Nomination Cycle shall be effective at 2:00 p.m. CCT on the same Service Day.

(4) The Intraday 2 Nomination Cycle:
(All times are CCT on the Service Day).

2:30 p.m. Latest time that nominations may leave control of the nominating party;

2:45 p.m. Receipt of nominations by Transporter (including from TTTSPs);

3:00 p.m. Transporter sends quick response;

5:00 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

5:30 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators.

Scheduled quantities resulting from the Intraday 2 Nomination Cycle shall be effective at 6:00 p.m. CCT on the same Service Day.

(5) The Intraday 3 Nomination Cycle:
(All times are CCT on the Service Day).

7:00 p.m. Latest time that nominations may leave control of the nominating party;

7:15 p.m. Receipt of nominations by Transporter (including from TTTSPs);

7:30 p.m. Transporter sends quick response;

9:30 p.m. Receipt of completed confirmations by Transporter from upstream and downstream connected parties;

10:00 p.m. Transporter to provide scheduled quantities to affected Shippers and point operators.

Scheduled quantities resulting from the Intraday 3 Nomination Cycle shall be effective at 10:00 p.m. CCT on the same Service Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

For purposes of NAESB WGQ Standard No. 1.3.2(ii), (iii), (iv), and (v), the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (b) Gas which is nominated for delivery to a Headstation may be transferred to another party at the same Headstation, provided that both the transferor and transferee are Shippers, the transfer is made from similar pools, i.e., transmission to transmission or gathering to gathering, and the transfer is effectuated pursuant to a valid nomination in accordance with this Section 4 of the General Terms and Conditions, where the applicable Headstation is

designated as both the Receipt Point and the Delivery Point.

- (c) Shipper shall also include in its nomination the desired order of priority of receipts and deliveries under each Transportation Service Agreement and Transporter may rely thereon (or in the absence of such information, upon Transporter's judgment) if Transporter takes action to change receipts and/or deliveries.
- (d) If a Shipper completes and resubmits an otherwise incomplete nomination, the first nomination cycle that occurs where the Shipper's complete nomination meets the deadline for nominations to leave a Shipper's control will apply to the Shipper's nomination.
- (e) Variations by Shipper of actual deliveries to Transporter from the nominated deliveries at the Receipt Point(s) shall be kept to a minimum. In addition, variations by Shipper of actual receipts from Transporter from the nominated receipts at the Delivery Point(s) shall be kept to a minimum. If the nominated quantity cannot be delivered or received at uniform daily rates, provisions cannot be delivered or received at uniform daily rates, provisions to deliver the Gas at a non-uniform rate must be made with Transporter prior to Gas flowing.
- (f) Any nomination that is submitted and validated by Electronic Communication shall be considered valid. If the nomination of Transporter's Use is inaccurate by five (5) MMBtu's or more, the nomination will not be considered valid.
- (g) Any Shipper may designate an Agent, which may be Transporter, to nominate and schedule Transportation Service on Shipper's behalf. Shipper shall notify Transporter, in writing, of the designated Agent. An Agent who has been designated to nominate and schedule Transportation Service for more than one Shipper may provide aggregate nomination(s) for multiple Shippers. Transporter is authorized to rely on nominations and scheduling information provided by Shipper's Agent. By designating an Agent, Shipper agrees to indemnify and save Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising in any way from Shipper's Agent's actions on behalf of Shipper, or Transporter's reliance upon the information provided to Transporter by Shipper's Agent; provided, however, that such indemnification will not excuse Transporter from liability for actions taken when Transporter is acting as Agent.

4.1 Implementation of Intraday Nominations.

- (a) Subject to the deadlines in this Section 4, Intraday Nominations may be nominated twenty-four (24) hours a day and will be processed in the same manner as other nominations. However, the nomination deadline and effective time of Intraday Nominations specified in this Section 4 will not apply to OFO-related Intraday Nominations.
- (b) Subject to upstream and downstream operators' confirmations Transporter's operating conditions, an Intraday Nomination submitted pursuant to one of the deadlines set forth in Section 4.1(a) of the General Terms and Conditions of this Tariff, can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points, of scheduled Gas. Transporter will not accept a reduced Intraday Nomination for any quantity deemed already delivered based on an Elapsed Prorated scheduled quantity.
- (c) Transporter shall allow Shipper to alter the order of priority of receipts and deliveries, upon which Transporter shall rely in taking actions to adjust receipts and/or deliveries, provided that such changes are submitted via Electronic Communication in accordance with the nomination deadlines set forth in Section 4 of the General Terms and Conditions of this Tariff. If Shipper adds a new nomination at a Receipt Point or Delivery Point under its Transportation Service Agreement during the Service Day, provided that any of such additions is not performed simultaneously with a change in priorities that accommodates the new receipt or delivery, Transporter shall place such addition as the last in priority to be affected by any changes.
- (d) Notice. For purposes of providing notice of any nomination changes (including where an interruptible Shipper's nomination is bumped by a firm

Shipper's Intraday Nomination to a Shipper and/or Shipper's Agent, Transporter shall use Electronic Communication. With respect to changes initiated by Transporter, if a Shipper so elects, such Shipper may provide a telephone number and Transporter will contact Shipper at such phone number by means of Electronic Communication to alert Shipper that a change has been made. Such Shipper shall then be responsible for reviewing its account to obtain details of such change.

(e) Daily Scheduling Penalties. Transporter will not impose any daily scheduling penalties as a result of nomination changes notified under Section 4.1(d) of the General Terms and Conditions of this Tariff, if the Shipper can demonstrate that it made a good faith attempt to accept Electronic Communication, and such Electronic Communication could not be accepted through no fault of Shipper, such as an event of force majeure affecting Shipper's facilities. In addition, where an interruptible Shipper's nomination is bumped by a firm Shipper's Intraday Nomination, Transporter will, in noncritical situations, waive any daily scheduling penalty for such bumped interruptible Shipper.

4.2 Nominations. Nominations for Transportation of Gas must be received by 12:00 P.M. one Business Day prior to the commencement of service. During all extreme operating conditions, late nominations will be accepted if the Transporter is able to confirm and schedule the nominated volumes with the interconnecting pipeline(s). Nominations must be placed in a manner specified by the Transporter and transmitted electronically to Transporter. Nominations submitted after the deadline or nominations not submitted in the manner specified by the Transporter may be rejected at the sole discretion of the Transporter. If the Transporter is unable to confirm the nomination, Shipper will be notified as soon as the problem is identified by Transporter. Any discrepancy in nominations that cannot be resolved shall result in Shipper receiving the lesser of the nominated volume or the volume confirmed with the interconnecting party. Transporter shall have the right to require nomination changes that ensure net receipts and deliveries match. Nominations will be scheduled in the following order: 1) Firm Transportation Service at Primary Point(s) of Receipt, 2) Firm Transportation Service at Secondary Point(s) of Receipt, 3) Interruptible Transportation at all Point(s) of Receipt, 4) Imbalance Resolution Gas. If it becomes necessary to allocate within specific classes as noted above, Shippers will be allocated a proportionate share of the Receipt Point capacity as follows:

$$\frac{\text{Shippers nominated volume}}{\text{Volume}} \times \text{Receipt Point Capacity} = \text{Allocated}$$

Total nominated volume to be allocated	Capacity to be allocated
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A confirmed nomination at Point(s) of Receipt with an operational balancing agreement will result in the confirmed nomination being allocated to the Shipper's account. At Point(s) of Receipt without an operational balancing agreement, volumes will be allocated on the basis of actual metered volumes using a predetermined allocation if more than one Shipper is nominating at the applicable Point of Receipt. The Transporter reserves the right to reject any nomination not within the Transporter's ability to monitor.

(a) Bumping.

Transporter will give scheduling priority to firm nominations submitted during the Evening Nomination and Intraday 1 Nomination Cycles over previously nominated and scheduled volumes for interruptible services. The elapsed-prorated-scheduled quantity process will apply to those nominations bumped in the Intraday 1 Nomination Cycle.

Interruptible Shippers that are bumped will be provided a notice of bumping along with a notice stating whether penalties shall apply on the day their volumes are reduced. Bumping notice statements will be provided in the same manner as OFO notices. In addition, bumping notice statements will be sent through email or direct notification to a Shipper's URL address. Transporter will waive non-critical penalties for bumped Shippers on the day of the bump.

(b) Balancing Nominations.

Shipper or Shipper's Agent will nominate to Transporter the quantity of Natural Gas in MMBtu's to be used to balance Receiving Party imbalances and/or Shipper

imbalances, and will schedule such balancing Gas in accordance with Transporter's nomination procedures, subject to available capacity. To the extent capacity is unavailable to meet all imbalance makeup requests, Transporter will allocate available capacity pro rata based on balancing nominations.

(c) Authorized Overrun Nominations.

- (1) Overrun quantities should be requested on a separate transaction.
- (2) Shipper will nominate to Transporter the quantity of Natural Gas subject to the L & U Percentage in MMBtu's to be scheduled and transported in excess of such Shipper's rights to throughput capacity or Receipt or Delivery Point capacity. Such Authorized Overrun Nominations will be scheduled in accordance with Transporter's Nomination procedures, subject to available capacity. To the extent capacity is unavailable to meet all Authorized Overrun Nomination requests, authorized overrun service will be treated as interruptible, and interruption of authorized overrun service will be consistent with Section 4.2 of the General Terms and Conditions of this Tariff.

4.3 Scheduling and Allocation of Capacity. On each day Transporter shall determine:

- (a) the total quantities which all Shippers have nominated to be received on that day;
- (b) the total quantities which all Shippers have nominated to be delivered on that day; and
- (c) Transporter's System Capacity.

If due to any cause whatsoever Transporter is unable on any day to satisfy all nominations for Transportation Service made pursuant to the procedures in Section 4.0 of the General Terms and Conditions of this Tariff, then Transporter shall allocate available Transportation capacity according to the following procedure:

- (i) First, Transporter shall accept all nominations for service under Transportation Service Agreements under Rate Schedule FT, including nominations of Transportation quantities constituting corrective action pursuant to Section 4.0 of the General Terms and Conditions of this Tariff, up to the Maximum Daily Quantity contained in such Transportation Service Agreements; and, to the extent capacity remains,
- (ii) Second, Transporter shall accept all nominations for service under Rate Schedule IT and for Authorized Overrun Quantities in order of the unit rate at which service is to be performed, starting with the unit rate that represents the highest percentage of the maximum applicable rate. Transporter shall allocate the capacity available among Shippers paying the same rate on a first-come, first-served basis in accordance with the date service was requested. Among Shippers who initially requested service on the same day service shall be allocated pro rata on the basis of Shipper's nominations.

4.4 Segmentation of Capacity. Any Shipper receiving firm Transportation Service may segment its capacity by nominating a Secondary Delivery Point along the Primary Route which is both upstream of the Primary Delivery Point and downstream of the Primary Receipt Point, and by contemporaneously nominating quantities at a Secondary Receipt Point along the Primary Route which is both downstream of the Secondary Delivery Point and upstream of the Primary Delivery Point, provided that each segmented nominations is in the same direction as the Primary Route. For purposes of determining the flow direction along a Primary Route in the Northern Segment, if the Primary Receipt Point is located geographically south of the Primary Delivery Point, the flow direction shall be deemed to be northerly, and vice versa. If Shipper so elects to segment its capacity, the following shall apply:

- (a) Quantities may not be nominated in any manner that is inconsistent with these General Terms and Conditions or would cause the quantities of Gas flowing at any location in any segment to exceed the Primary Route MDQ; and

- (b) If such segmentation occurs pursuant to any capacity release, Transporter shall be entitled to ensure that nominations of the applicable Replacement and/or Releasing Shippers are not inconsistent with the limitation set forth in Section 4.4(a) of the General Terms and Conditions of this Tariff.