

High Burn Limit Values & Delivery Make-up Transactions

Why Are High Burn Limit Values & Delivery Make-up Transactions Treated Differently at Capacity Constraints?

- Confirmation is done by the DELIVERY point operator ONLY.
- Receipt location is used to determine the zone for imbalance purposes but is irrelevant for purposes of determining whether Transco has the operational feasibility to confirm.
- Transco manages these types of transactions to reflect the operational requirements necessary to make the requested deliveries without concurrent receipts.
- Transco uses its operational flexibility to make these deliveries.

What Should you know?

There are different rules for high burn limit values and delivery makeup transactions which are applicable depending on the delivery zone

- The differences in these rules reflect the operational tools available to Transco to provide deliveries without concurrent receipts

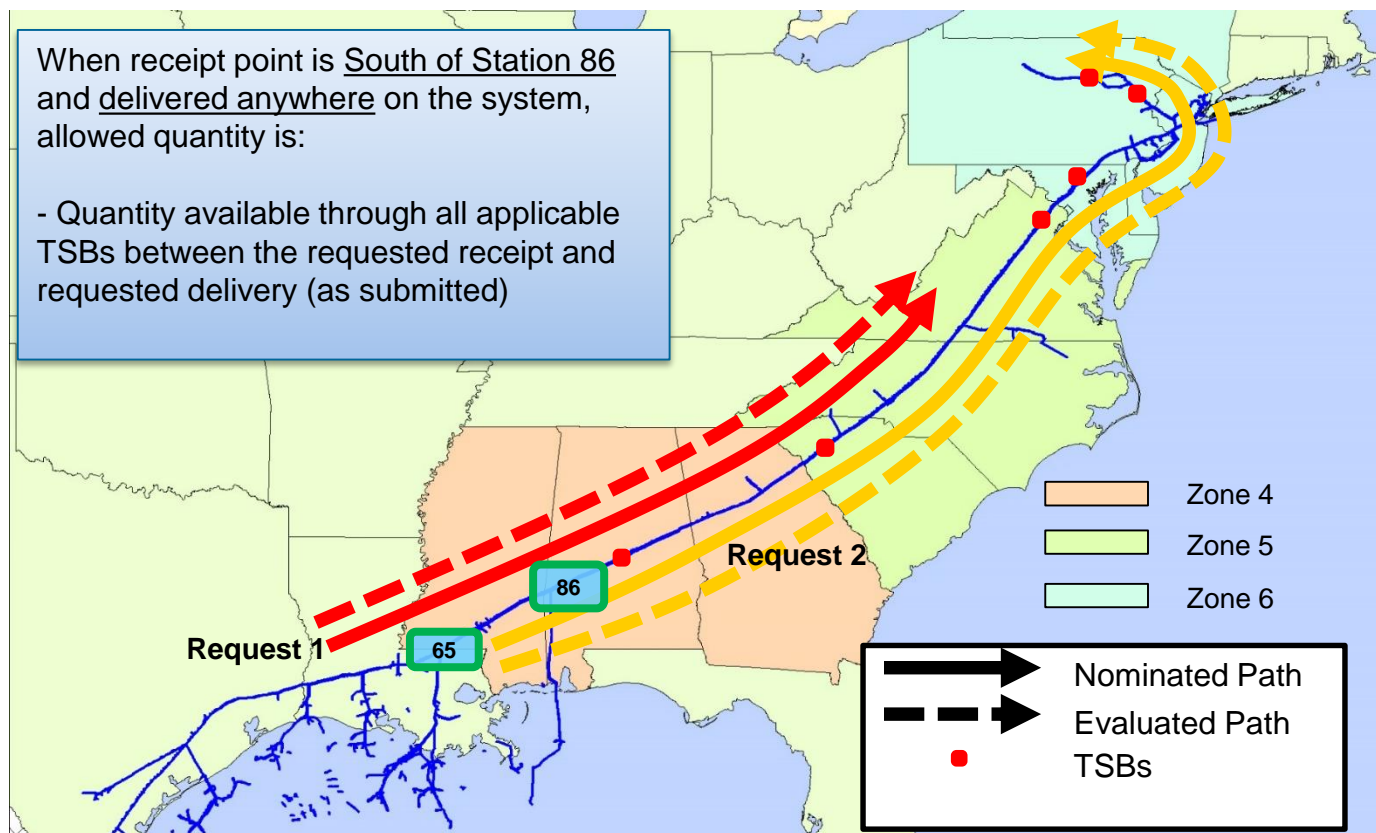
➤ Unique Rules are applicable to:

- When the “receipt point” is upstream of Station 86
- Deliveries in Zones 4 and 5, when “receipt point” is downstream of Station 86
- Deliveries along the mainline in Zone 6, when “receipt point” is downstream of Station 86
- Deliveries along the Leidy Line in Zone 6, when “receipt point” is downstream of Station 86

Definitions

- **Throughput Section Boundaries (TSBs)** – is a location on Seller’s system where Seller anticipates that available capacity may be less than Buyer’s requests for services at a given nomination cycle
- **What is Station 86?** – a hypothetical point east of where the Mobile Bay Lateral connects with the Mainline but south of Station 90

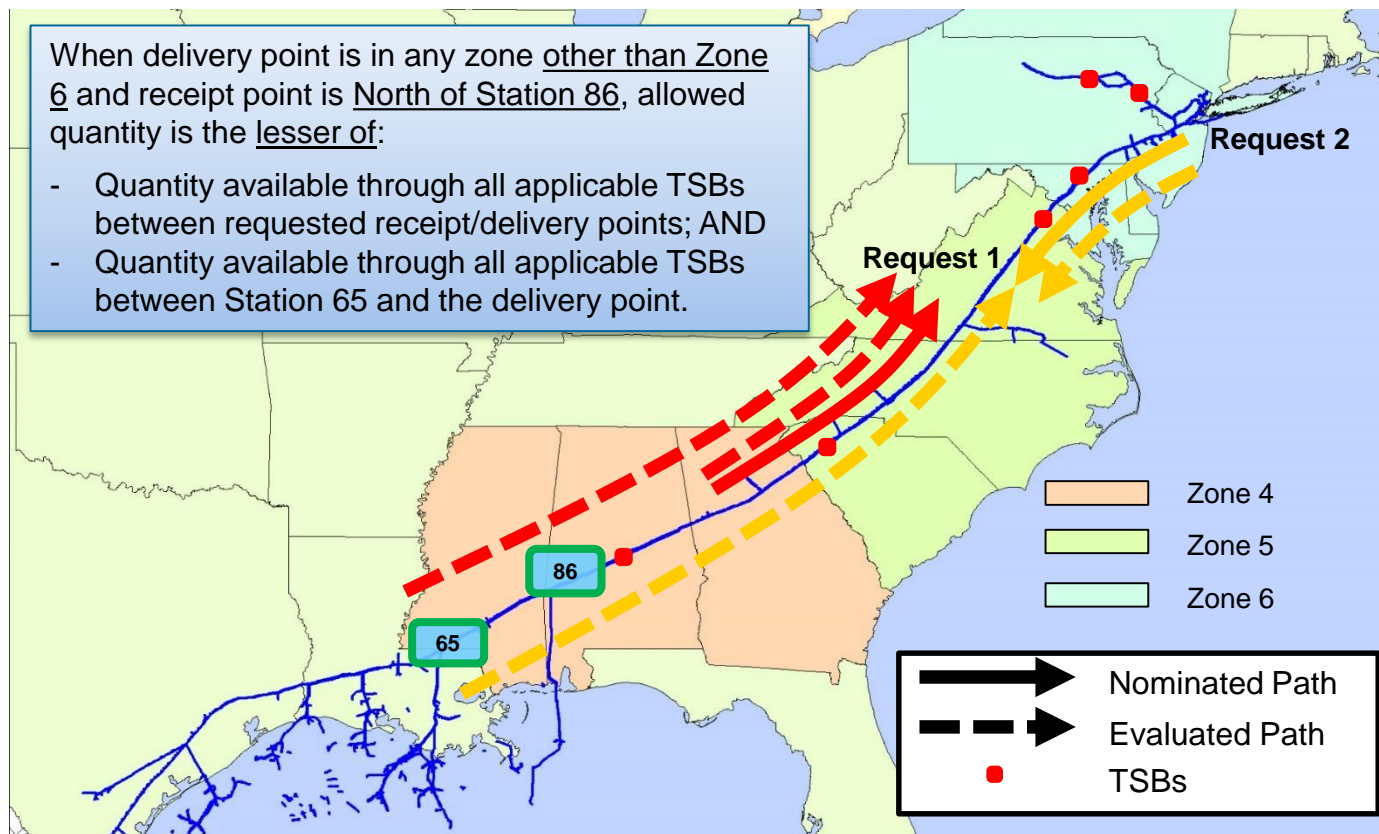
High Burn Limit Values & Delivery Make-ups



Request 1 is pathed from Station 45 to Zone 5. The path will be evaluated at any TSB's along the requested path.

Request 2 is pathed from Station 65 to a Leidy delivery point. The path will be evaluated at any TSB's along the requested path.

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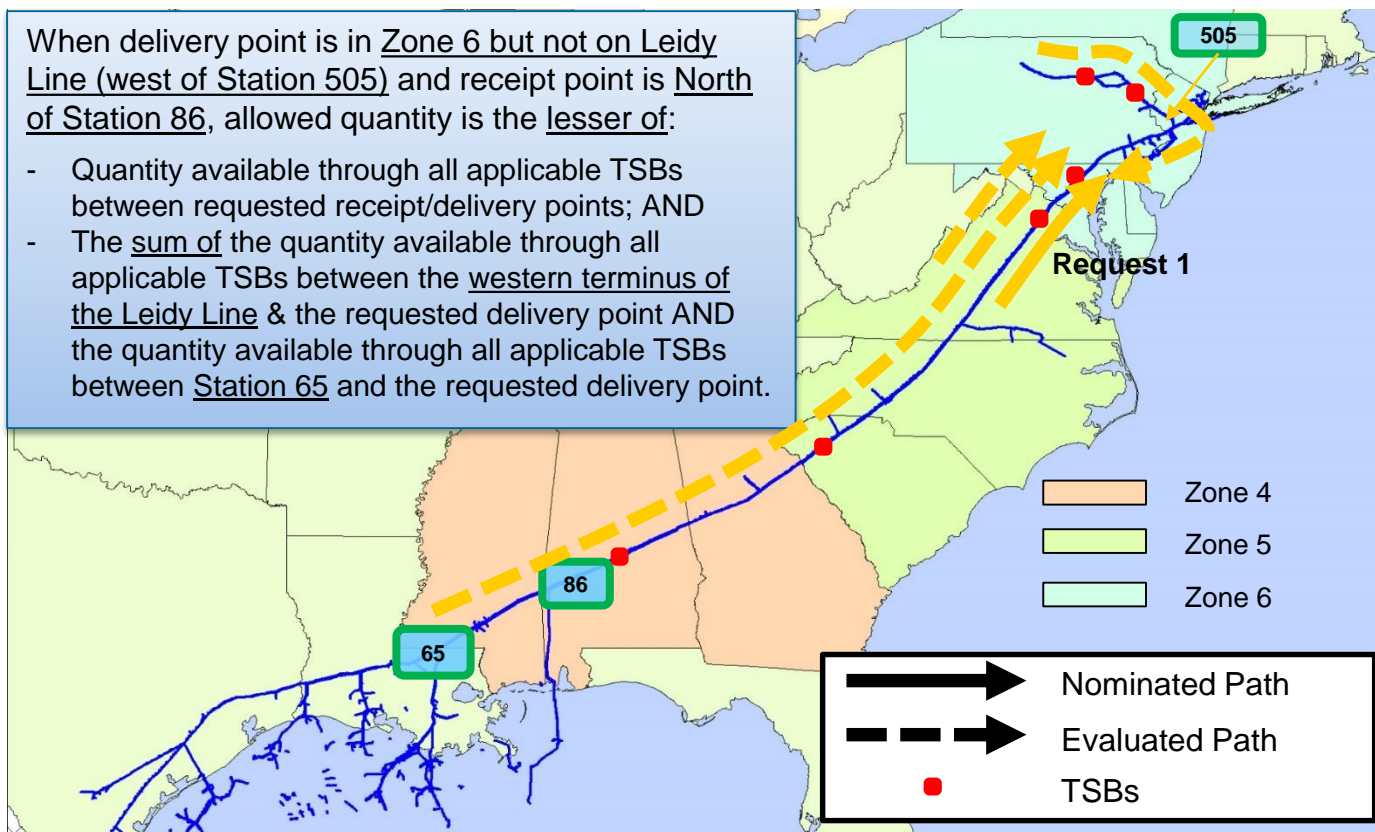
Request 1 is pathed from an interconnect in Georgia to a Zone 5 delivery point. The path will be evaluated along the requested path **AND** evaluated along the path from Station 65 to the delivery point. Request 1 will get the lesser of these two quantities.

Request 2 is pathed from Station 210 to a delivery point in Zone 5. The path will be evaluated along the requested path **AND** evaluated along the path from Station 65 to the delivery point. Request 2 will get the lesser of these two quantities.

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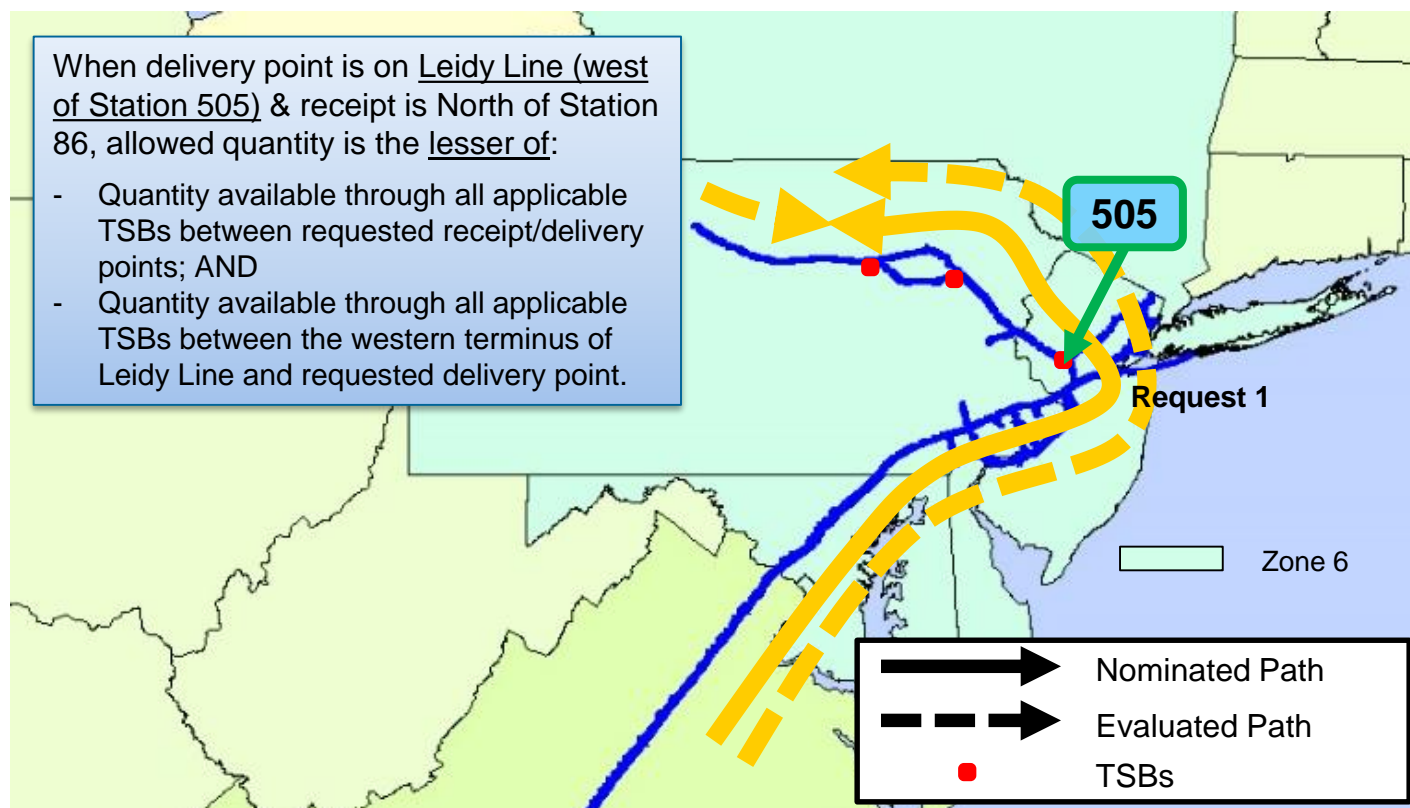
When delivery point is in Zone 6 but not on Leidy Line (west of Station 505) and receipt point is North of Station 86, allowed quantity is the lesser of:

- Quantity available through all applicable TSBs between requested receipt/delivery points; AND
- The sum of the quantity available through all applicable TSBs between the western terminus of the Leidy Line & the requested delivery point AND the quantity available through all applicable TSBs between Station 65 and the requested delivery point.



Request 1 is pathed from an interconnect in Virginia to a Zone 6 delivery point (non Leidy). The path will be evaluated along the requested path **AND** also evaluated along the path from Station 65 to the delivery point **plus** the path from the western end of the Leidy Line to the delivery point. Request 1 will get the lesser of these two quantities.

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Request 1 is pathed from an interconnect in Virginia to a Zone 6 delivery point on the Leidy Line. The path will be evaluated along the requested path **AND** will be evaluated from the western end of the Leidy Line to the delivery point. Request 1 will get the lesser of these two quantities.

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- Transco posted these limitations on High Burn Limit Values and Delivery Make-ups on 1Line (Info Postings> Resources> Constraint Points).
- Limitations are subject to change based on new operating conditions.
- Transco will provide as much notice as possible with a minimum of 48 hours notice prior to the beginning of the gas day upon which changes are effective.
- Limitations are NOT expected to change frequently.
- The additional evaluation paths described are NOT used for MDQ validation (outside of the nominated path); only used for evaluation at applicable TSBs.

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October 23, 2013 Posting

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Transco provides no-notice service under various rate schedules in addition to providing shippers the opportunity to resolve current month imbalances in-kind without penalty, to the extent operationally feasible. No-notice service is provided, in part, by allowing delivery point operators to provide High Burn Limit Values at Swing Service Delivery Points. Additionally, make-up delivery transactions (TT3) requested by shippers are allowed when operationally feasible as posted on 1Line. High Burn Limit Values and delivery make-up transactions do not have a physical supply and only require confirmation by the delivery point operator and Transco. Consequently, because there are no concurrent receipts associated with these transactions, the receipt location identified on these types of transactions is not reflective of Transco's operational ability to accommodate such requests.

Transco's ability to confirm such transactions is dependent upon the physical operations of its system. The limitations established below reflect the operational requirements necessary to effectuate the requested deliveries without concurrent receipts. These limitations may be subject to change based on operating conditions and Transco will provide notice on 1Line at least 48 hours prior to the beginning of the gas day upon which changes to the evaluations identified below are effective.

Specifically excluded from the limitations imposed on High Burn Limit Values at Swing Service Delivery Points and make-up delivery transactions are transactions from one Buyer's pool to another Buyer's pool at the same location and transactions where a Swing Supplier has been designated. For ease of description, Transco will identify as "Station 86" a location which represents a point on Transco's mainline system immediately north of the intersection of the mainline and the Mobile Bay lateral. "Station 86" is intended to reflect a location north of Transco's Gulf Coast and Mid-Continent supply basins and is south of Throughput Section Boundaries that may affect Transco's ability to accommodate all requested market area deliveries. Transco will evaluate affected transactions, based on the appropriate priority of service of the receipt/delivery combination path requested, at Throughput Section Boundaries (TSBs) as identified below:

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October 23, 2013 Posting Continued

(a) Transactions requested from a receipt point south of “Station 86” on Transco’s system will be included in all applicable TSBs between the requested receipt and the requested delivery point,

(b) Transactions requested from a receipt point north of “Station 86” to delivery points located in any zone other than Zone 6 on Transco’s system will be included in all applicable TSBs between Station 65 and the delivery point on the request and in all applicable TSBs between the requested receipt and delivery points. The amount allocated to such transactions shall be the lesser quantity allocated from the two paths,

(c) Transactions requested from a receipt point north of “Station 86” to a delivery point located on Transco’s Leidy Line west of Station 505 will be included in all applicable TSBs between the western terminus of Transco’s Leidy Line and the delivery point on the request and in all applicable TSBs between the requested receipt and delivery points. The amount allocated to such transactions shall be the lesser quantity allocated from the two paths,

(d) Transactions requested from a receipt point north of “Station 86” to a delivery point located in Zone 6 but not on Transco’s Leidy Line west of Station 505 on Transco’s system will be included in all applicable TSBs between Station 65 and the delivery point on the request, in all applicable TSBs between the western terminus of Transco’s Leidy Line and the delivery point on the request, and in all applicable TSBs between the requested receipt and delivery points. The amount allocated to such transactions shall be the lesser of (i) the quantity determined by TSBs between the requested receipt and delivery points and (ii) the sum of the quantities determined to be available from TSBs along the paths from Station 65 and the western terminus of the Leidy Line.

Station 65 and the western terminus of the Leidy Line points of receipt will be used solely for the purpose of determining Transco’s ability to confirm the requested quantities at TSBs. The extended paths identified above will not impact the priority of service or firm entitlement (MDQ) validation.