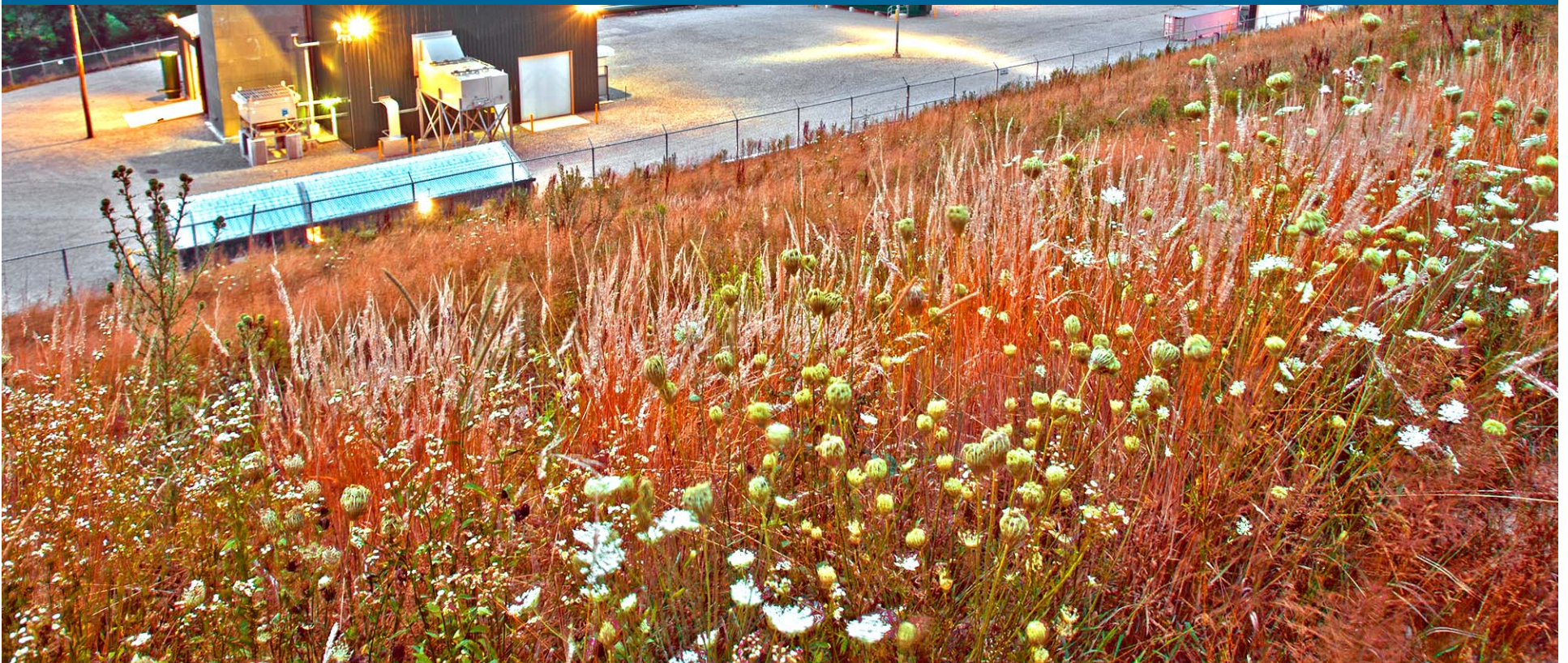




Revised Proposed **DRAFT** Priority of Service Tariff Filing 2017 Webinar Training

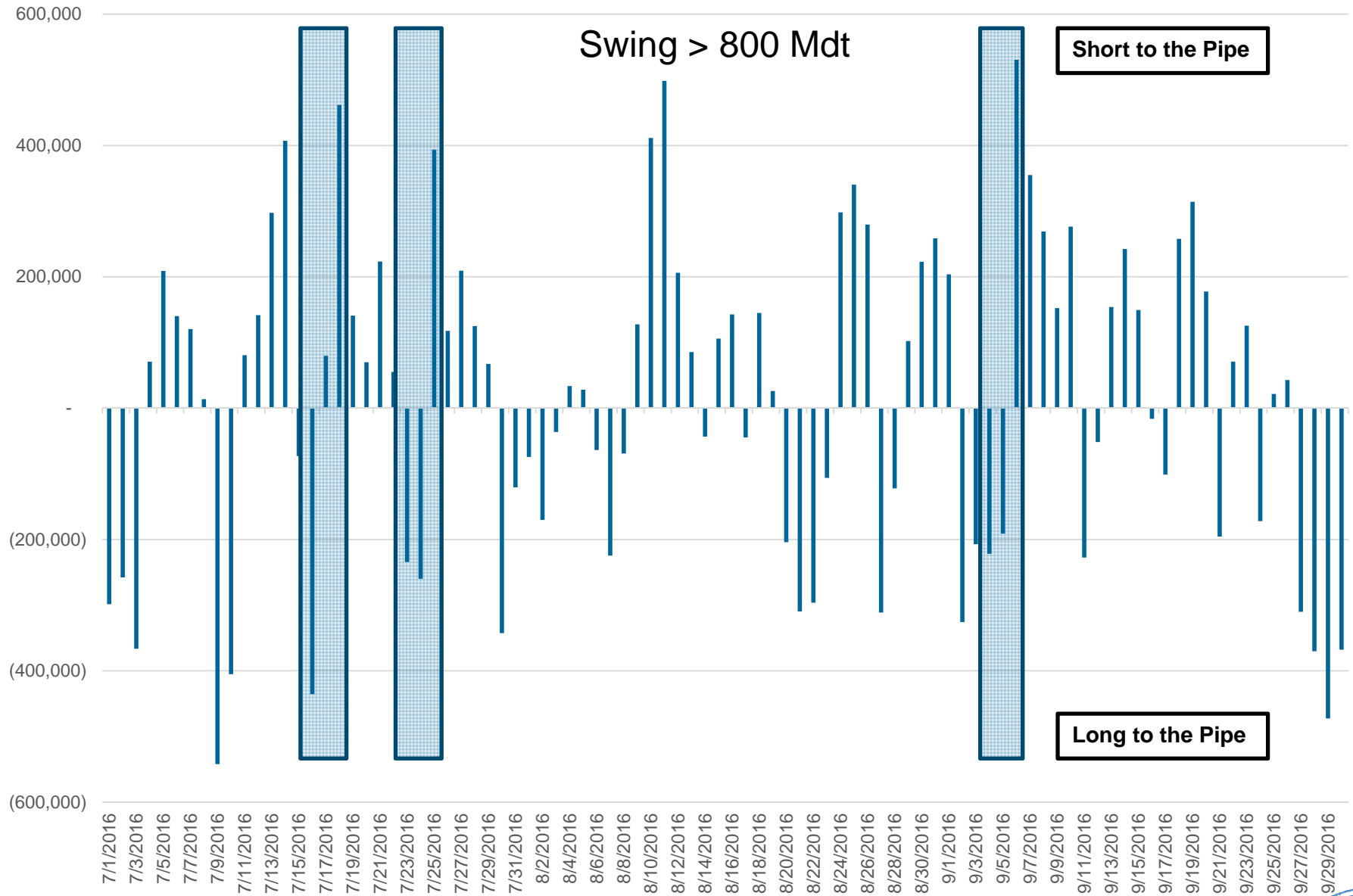


Revised Proposed Draft Filing

- Since the Priority of Service draft proposal posted on 10/31/2014 the following has occurred
 - Conducted 3 introductory webinars in December of 2014
 - Followed up with 2 FAQ webinars in January of 2015
 - Solicited feedback from customers throughout 2015 and 2016
 - Simultaneously, Transco evaluated ongoing operational challenges to the pipeline
 - Assessed Transco's existing tariff and business practices
 - Made tariff changes including: OIAs, Cashout indices, OFO penalty pricing, delivery exclusions from imbalance Cashout and OFO/OC imbalance penalty calculations
 - Revised proposed draft filing

- **Basis for Proposal**
 - Rate Schedule FT Section 5.1(b) only allows for no-notice at traditional delivery points; therefore, revisions to the current tariff are necessary to allow for non-traditional, secondary and IT no-notice when operationally feasible
 - In order to reduce the utilization of OFOs and OCs in managing imbalance volatility within the month and ensuring operational feasibility, the ability to specifically evaluate high burn limit value (HBLV) requests is needed

Transco Daily Allocated Imbalance July – September 2016



Revised Proposed Draft Filing

- Current and proposed business practices are reflected in the revised proposed draft filing
 - Business Practices
 - (1) Establishing that HBLVs will be at a point
 - (2) Clarifying traditional vs. non-traditional rights and aggregate points
 - (3) Defining priorities specifically for HBLVs
 - (4) Establishing the ability to allocate HBLVs by location or segment
 - (5) Eliminating overlapping HBLVs at a nominatable point
 - (6) Establishing the ability to allocate capacity at a TSB by segment (nominations only)
 - Note: Swing Supplier Services as defined in the GT&C definitions which are provided in 1Line via linking₁ will not be impacted by the revised proposed draft filing

1 – Linking services are documented on Transco's EBB under "1Line", "Training", "Presentations", and "Linking", <http://www.1line.williams.com/Transco/files/training/Linking.pdf>.

Business Practices

(1) Establishing that HBLVs will be at a point

- **High Burn No-Notice Occurs at a Point of Delivery**
 - Rate Schedule FT Section 5.1(b) identifies traditional no-notice rights at the point(s) of delivery set forth in Buyer's service agreement; furthermore, no-notice swing service is only available at Swing Service Delivery Points
 - As a result of no-notice service occurring at a point of delivery, identifying a receipt point is no longer applicable for high burn no-notice and therefore a path will no longer be associated with the service
 - High burn quantities taken as no-notice will be charged the zonal rate in which the Swing Service Delivery Point resides and will create an equal size Due From Shipper imbalance in that same zone

- **High Burn No-Notice No Longer Considered in a TSB**
 - Evaluation of high burn no-notice will occur at the specified Swing Service Delivery Point
 - Evaluation through a TSB is no longer applicable
 - The business practice¹ of evaluating limit values in TSBs from Station 65 to their respective Swing Service Delivery Point will no longer occur

1 – The Station 65 business practice is found on the Transco EBB under “Resources” and “Constraint Points”, <http://www.1line.williams.com/Transco/files/constraintpoints.pdf>.

Business Practices

(2) Clarifying traditional vs. non-traditional rights and aggregate points

- **Traditional vs. Non-Traditional Delivery Points**
 - Traditional – Delivery points identified on contract
 - Non-Traditional – Delivery points within primary path but not identified on contract
- **Aggregate Delivery Point¹**
 - Points identified on the original firm contract are typically meter specific
 - In lieu of utilizing individual nominatable meters, shippers will continue to have the ability to utilize an aggregate nominatable delivery point comprised of multiple meters, rendering the individual meters non-nominatable
- **1Line Viewing**
 - Effective with the March, 2017 1Line release, original firm contract holders can view through the Contracts/Amendments page Traditional Delivery Points on each contract and the corresponding nominatable points (either the point itself [if nominatable] or, if applicable, its nominatable aggregate point)
 - Replacement shippers will be able to similarly view the same information in the future

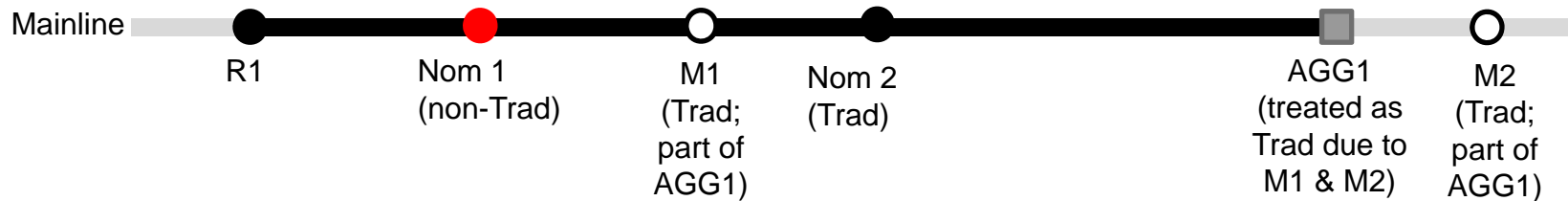
1 – Aggregate points are documented on Transco's EBB under "1Line", "Training", "Presentations", and "Meter Aggregation and disaggregation", <http://www.1line.williams.com/Transco/files/presentations/MeterAggregationandDisaggregation.pdf>.

Business Practices

Example: (2) Clarifying traditional vs. non-traditional rights and aggregate points

➤ For Original Capacity Holders

- If a traditional point (i.e. meter) is associated to an aggregate point with multiple meters then all deliveries on that contract at that aggregate point will be considered traditional



Contract K1 details:

- R1: Nominatable receipt point (on contract K1)
- Nom 1: Non-traditional nominatable point (not on contract K1)
- M1: Traditional non-nominatable point (on contract K1) that is part of AGG1
- M2: Traditional non-nominatable point (on contract K1) that is part of AGG1
- Nom 2: Traditional nominatable point (on contract K1); i.e. not part of any aggregate point
- AGG1: Aggregate nominatable location related to M1 & M2 (treated as a traditional delivery location)
- Nominatable path containing primary rights for K1
- Path containing secondary rights for K1

Business Practices

(3) Defining priorities specifically for HBLVs

➤ Establishing High Burn No-Notice Priority

- Priority will be based upon the relationship between the specified Swing Service Delivery Point and the customer's contract
- Utilizing the relationship between the specified Swing Service Delivery Point and the customer's contract will result in the following high burn no-notice priorities:
 - Primary Traditional (Points identified on contract)
 - Primary Non-traditional (Points within primary path but not identified on contract)
 - Secondary
 - IT Maximum Rate
 - IT Discounted Rate
- NSRP will not be a high burn no-notice priority since there is no longer a path

Business Practices

(4) Establishing the ability to allocate HBLVs by location or segment

- **Non-traditional and lower no-notice priorities**
 - Non-traditional, secondary, and IT no-notice services are subject to operational feasibility
 - Transco will have the ability to limit no-notice at a Swing Service Delivery Point or at all Swing Service Delivery Points within an area
 - Primary Traditional and Non-traditional no-notice allocated on the basis of firm entitlement
 - Secondary and IT no-notice based on high burn limit values

Business Practices

Example 1: (4) Establishing the ability to allocate HBLVs by location

➤ Scenario

- Package at SSDP A of 300 dts including Primary Non-Traditional (PNT), Secondary (SEC), and IT high burn limit values
- All SEC & IT HBLV requests will be reduced to zero as result of PNT requests (600 dts) exceeding the package amount (300 dts)
- The available 300 dts will be allocated prorata to each contract, based on contract entitlement
- Assuming the contract entitlement is the same, a prorated quantity of 100 dts is available to each contract

SSDP A

K	POS	HBLV Req	HBLV Alloc.
1	PT	100	100
2	PNT	200	100
3	PNT	200	100
4	PNT	200	100
5	SEC	300	0
6	IT	100	0

PT = Primary Traditional
 PNT = Primary Non Traditional
 SEC = Secondary
 IT = Interruptible

Business Practices

Example 2: (4) Establishing the ability to allocate HBLVs by segment

➤ Scenario

- Package in the segment containing SSDP A, B, and C for 300 dts including Primary Non-Traditional (PNT), Secondary (SEC), and IT high burn limit values
- All SEC & IT HBLV requests will be reduced to zero as result of PNT requests (500 dts) exceeding the package amount (300 dts)
- The available 300 dts will be allocated prorata to each contract, based on contract entitlement
- Assuming the contract entitlement is the same, a prorated quantity of 100 dts is available to each contract

No-Notice Restriction Boundary **Z4** No-Notice Restriction Boundary

Mainline

SSDP A				SSDP B				SSDP C			
K	POS	HBLV Req	HBLV Alloc.	K	POS	HBLV Req	HBLV Alloc.	K	POS	HBLV Req	HBLV Alloc.
1	PT	100	100	5	PT	100	100	9	PT	500	500
2	PNT	200	100	6	PNT	200	100	10	PNT	100	100
3	SEC	300	0	7	SEC	100	0	11	SEC	200	0
4	IT	100	0	8	IT	100	0	12	IT	500	0

PT = Primary Traditional
 PNT = Primary Non Traditional
 SEC = Secondary
 IT = Interruptible



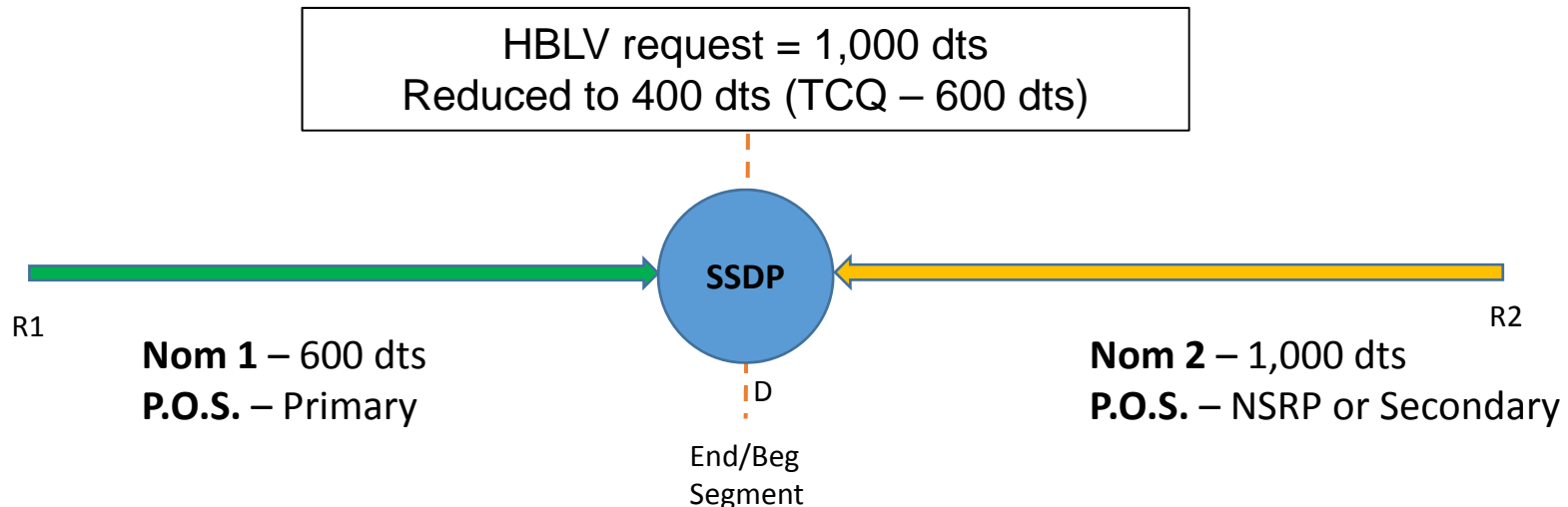
Business Practices

(5) Eliminating overlapping HBLVs at a nominatable point

➤ Revised Rate Schedule FT Section 4.7:

- Shippers may schedule on any day forwardhaul transportation up to Buyer's TCQ quantity and backhaul transportation up to Buyer's TCQ quantity, within or outside Buyer's firm contract path for delivery at the same valid delivery point at the same time
- Provided however, at a Swing Service Delivery Point:
 - (1) The sum of Buyer's Primary Path scheduled quantities and the high burn limit values at such point shall not exceed Buyer's TCQ
 - (2) Buyer's Reverse Path scheduled quantities shall not exceed Buyer's TCQ

TCQ at SSDP = 1,000 dts Primary Traditional



Balanced Nominations

Business Practices

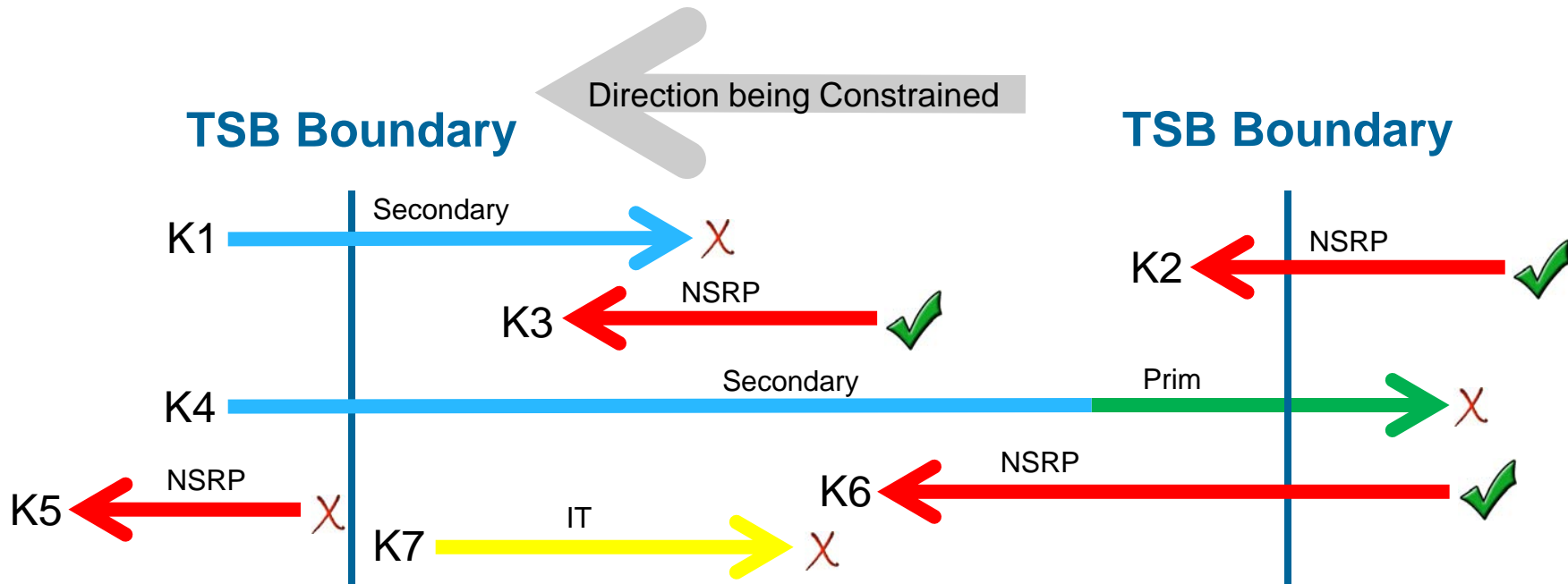
(6) Establishing the ability to allocate capacity at a TSB by segment (nominations only)

➤ TSB

- Transco's current tariff, GT&C Section 28.2(c), allows for a TSB by location or segment on Seller's system where Seller anticipates that available capacity may be less than Buyer's nominations in a given nomination cycle
- Similar to TSBs by location, the TSB by segment will be receipt based or delivery based with a direction of flow
- TSBs by location and TSBs by segment will only evaluate nominations
- Primary nominations are not assessed at the traditional or non-traditional level through a TSB

Business Practices

Example 1: (6) Establishing the ability to allocate capacity at a TSB by segment (nominations only)



- A TSB segment will consider all nominations in the applicable direction within a defined area identified by start and end milepost, designated zone(s), or specific line(s)
- If the priority of a nomination changes within the TSB segment the lower priority will be used

X - Not evaluated in the TSB by segment

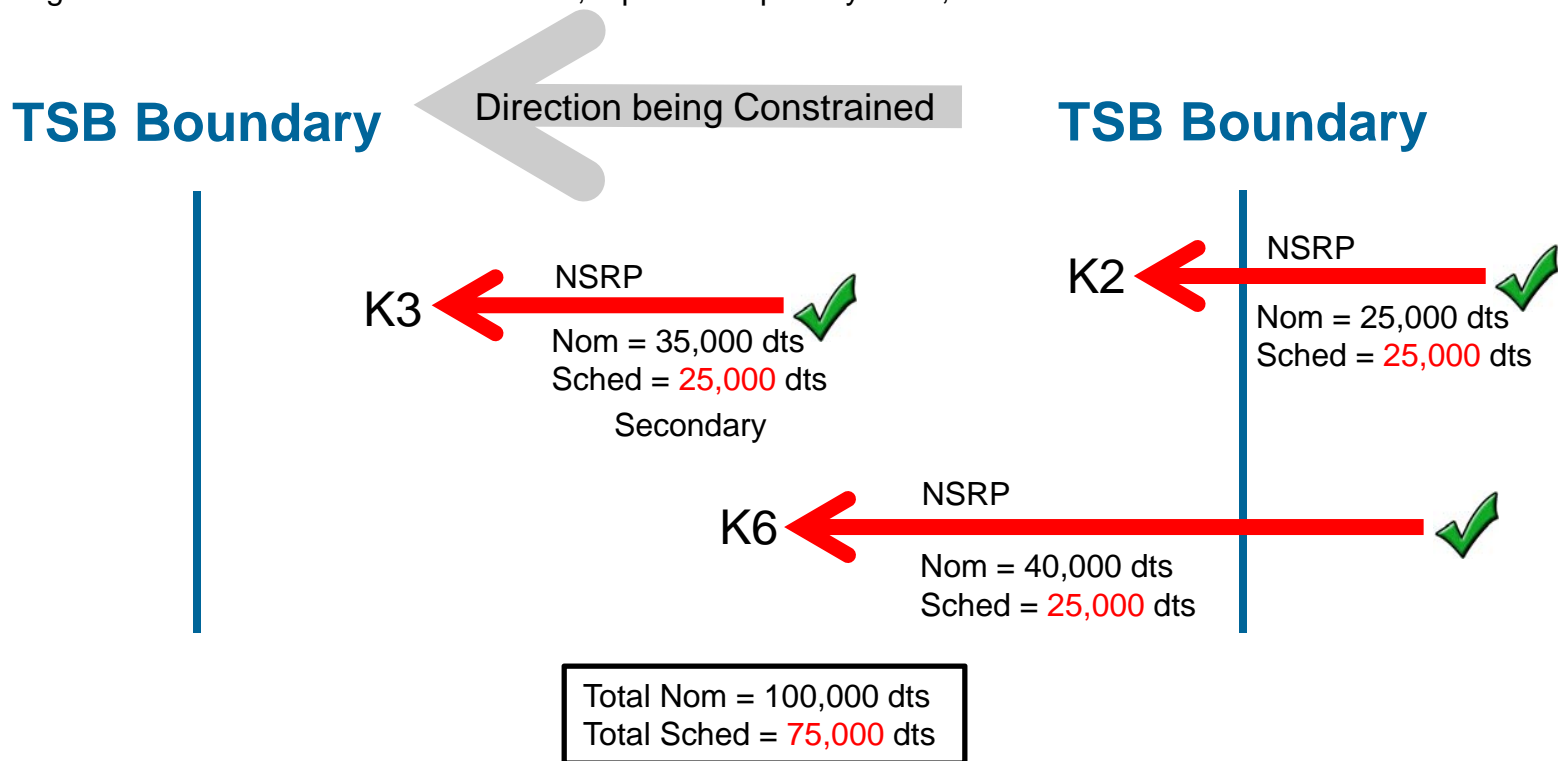
✓ - Evaluated in the TSB by segment

Business Practices

Example 2: (6) Establishing the ability to allocate capacity at a TSB by segment (nominations only)

➤ Scenario

- Package in the segment for 75,000 dts including Non-Secondary Reverse Path (NSRP), Secondary (SEC), and IT nominations
- All SEC & IT nominations will be reduced to zero as result of NSRP nominations (100,000 dts) exceeding the package amount (75,000 dts)
- The available 75,000 dts will be allocated prorata, based on contract entitlement
- Assuming the contract entitlement is the same, a prorated quantity of 25,000 dts is available to each contract



What can YOU do?

- Have your company's regulatory department review the updated proposed draft filing on our Info Postings site
- Direct any comments/questions/concerns to the following:
 - Karina Mayorga (Karina.D.Mayorga@Williams.com)
 - Julian Arias (Julian.Arias@Williams.com)
 - Diane Ezernack (Diane.L.Ezernack@Williams.com)
- Provide feedback to Transco by the end mid-May on your company's position to support, intervene, or protest the filing

Questions?