



Transcontinental Gas Pipe Line Company, LLC

June 10, 2014

REVISED DRAFT VERSION – FOR DISCUSSION PURPOSES ONLY

As regulations and business practices evolve Transco's tariff must be periodically updated to ensure that it remains current and relevant. This is a draft of updates to Transco's tariff that is being considered for filing with the FERC. This revised draft version incorporates comments and suggestions received from customers of the previous version posted on August 2, 2013. Transco encourages customers to review and provide comments by the due date provided below. We will endeavor to incorporate your comments and suggestions prior to making the filing with the FERC.

Summary:

Possible tariff language changes to the General Terms and Conditions, Sections 19.1 and 19.2, to clarify Delivery Point Entitlements (DPE's) as it pertains to individual delivery point operators, Delivery Point(s) and Facility Group(s). Proposed changes include (1) updating language to conform with other sections of the tariff; (2) modifying and updating the language in recognition that regulations, industry business practices and standards, and Transco's tariff have changed since DPEs were first introduced in 1991; (3) clarifying and defining mainline and lateral Facility Group Geographical Areas; (4) clarifying Unauthorized Daily Overrun Quantities; (5) eliminating the Unauthorized Daily Overrun Penalty for mainline delivery points and mainline Facility Groups; and (6) for delivery points and Facility Groups on laterals, clarifying and defining and when a Delivery Point or a Facility Group Unauthorized Daily Overrun Penalty would be issued. The proposed changes do not change the terms of the Stipulation and Agreement approved in 1991.

Applicable Sections:

19.1 Maximum Daily Delivery Point Entitlements

19.2 Maximum Daily Delivery Entitlements by Facility Group

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Posted: June 10, 2014

Comments Due: July 8, 2014

GENERAL TERMS AND CONDITIONS

19.1 Maximum Daily Delivery Point Entitlements

(a) Applicability

This section of the General Terms and Conditions applies to each delivery point operator of a Swing Service Delivery Point for which Seller provides firm service at more than one point of delivery, other than delivery point operators served under Seller's Rate Schedule FT-G. This section specifies the Maximum Daily Delivery Point Entitlement which Seller is obligated to deliver for the Winter Period (October through April) and for the Summer Period (May through September) at each such delivery point.

(b) Definition of Maximum Daily Delivery Point Entitlements

As utilized herein, and subject to Section 19.1(d), the Maximum Daily Delivery Point Entitlement at a delivery point shall be the daily quantity specified for such point in Sections 19.4, 19.5, and 19.6, as applicable, multiplied by the dt conversion factor stated in Section 23 of the General Terms and Conditions of Transco's FERC Gas Tariff. The Maximum Daily Delivery Point Entitlement for the respective Winter and Summer Periods at each delivery point is a limitation applicable to the combined deliveries under all rate schedules under which Seller makes firm service deliveries to the delivery point operator at that delivery point.

Subject to the limitations set forth in Section 19.2 of the General Terms and Conditions, the Maximum Daily Delivery Point Entitlement for the respective Winter and Summer Period at each delivery point is the maximum quantity Seller is obligated to deliver to the delivery point operator and the delivery point operator is entitled to receive from Seller at such delivery point.

(c) Definition of Facility Group Geographical Areas

The delivery point operator's delivery points on Seller's system are grouped geographically and designated as Facility Group Geographical Areas, as shown on the maps in Section 19.3. A delivery point is included if that location has a Maximum Daily Delivery Point Entitlement. Further, the Facility Group Geographical Area and the delivery point(s) within the Facility Group Geographical Area is designated as being located on the mainline unless the Facility Group Geographical Area has a lateral designation (xx-L), as specified in Sections 19.4, 19.5, and 19.6.

(d) Delivery Point Unauthorized Daily Overrun Quantities

Seller will provide the delivery point operator with deliveries in excess of delivery point operator's Maximum Daily Delivery Point Entitlement to the extent physical operating conditions permit and to the extent Seller is able reasonably to determine that such deliveries will not impair Seller's ability to provide firm service to other Buyers on Seller's pipeline system. However, the total deliveries at delivery point operator's Swing Service Delivery Points may not exceed the delivery point operator's confirmed gas quantities,

including limit values plus any swing service overtakes and Tier I Unauthorized Overrun gas allocated at the associated Swing Service Delivery Points. Further, a Buyer may not exceed Buyer's maximum daily transportation contract quantity ("TCQ") through any segment of Seller's pipeline.

(i) Mainline Delivery Point(s)

Deliveries in excess of the delivery point operator's Maximum Daily Delivery Point Entitlement, as described above, for a delivery point designated as being located on the mainline will not be subject to the Delivery Point Unauthorized Daily Overrun penalty set forth in Section 19.1 (e) below; however, any other applicable penalties under Seller's FERC Gas Tariff shall apply.

(ii) Lateral Delivery Point(s)

Deliveries in excess of the delivery point operator's Maximum Daily Delivery Point Entitlement, as described above, for a delivery point designated as being on a lateral will be subject to the Delivery Point Unauthorized Daily Overrun penalty set forth in Section 19.1 (e) in the event Seller issues a penalty notice, as described in Section 19.1 (d) (iii) below. Additionally, any other applicable penalties under Seller's FERC Gas Tariff shall apply.

(iii) Circumstances Giving Rise to a Lateral Penalty Notice

Notwithstanding the foregoing, to the extent that Seller reasonably determines that a delivery point operator's takes in excess of the Maximum Daily Delivery Point Entitlement at a delivery point designated as being located on a lateral is impairing Seller's ability to provide firm service to other Buyers that have delivery point(s) on the lateral, Seller shall issue a penalty notice to the offending delivery point operator. The penalty notice shall state (i) the quantity to which the delivery point operator must reduce its delivered quantities at the specified delivery point(s), but not less than the Maximum Daily Delivery Point Entitlement at the delivery point(s) and (ii) the effective date and time of the penalty notice. Seller shall attempt to give the delivery point operator reasonable time for voluntary action. However, exigent circumstances may exist which require that the penalty notice be made effective immediately.

(e) Delivery Point Unauthorized Daily Overrun Penalty

In addition to any charges otherwise payable under Seller's rate schedules, the delivery point operator shall pay a penalty of \$10 per dt for any Delivery Point Unauthorized Daily Overrun Quantity. The penalty revenue collected will be distributed pursuant to Section 54 of the General Terms and Conditions.

The payment of a penalty pursuant to this Section 19.1(e) shall under no circumstances be considered as giving the delivery point operator the right to take a Delivery Point Unauthorized Daily Overrun Quantity or be considered as a substitute for any other remedy

available to Seller against the offending delivery point operator for failure to stay within its applicable Maximum Daily Delivery Point Entitlement.

(f) Updating Delivery Point Entitlements

Seller shall file tariff records to revise each affected delivery point operator's Delivery Point Entitlement(s) to reflect any additional Summer or Winter period increases resulting from incremental capacity expansion projects after (1) Buyer and Seller have executed the service agreement for such incremental service ; and (2) the incremental facilities related thereto have been constructed and are ready for service.

The delivery point operator may request Seller to adjust its existing Delivery Point Entitlements at its delivery point(s) to reflect the delivery point operator's current delivery requirements on Seller's system. Seller is not obligated to agree to any of delivery point operator's requests. Seller will not agree to delivery point operator's request unless, at a minimum:

- (i) Seller reasonably determines that such revised Delivery Point Entitlements will not impair Seller's ability to provide firm service to other Buyers on Seller's pipeline system, and;
- (ii) No additional facilities are required to be installed or constructed on Seller's system.

In the event Seller agrees to delivery point operator's request, Seller shall file tariff records to revise delivery point operator's Delivery Point Entitlements.

GENERAL TERMS AND CONDITIONS

19.2 Maximum Daily Delivery Entitlement by Facility Group

(a) Applicability

This section of the General Terms and Conditions applies to each delivery point operator of a Swing Service Delivery Point for which Seller provides firm service at more than one point of delivery, other than delivery point operators served under Seller's Rate Schedule FT-G. This section specifies the Maximum Daily Delivery Entitlement by Facility Group which Seller is obligated to deliver for the Winter Period (October through April) and for the Summer Period (May through September) at each such Facility Group.

(b) Definition of Maximum Daily Delivery Entitlements by Facility Group

As utilized herein, and subject to Section 19.2(d), the Maximum Daily Delivery Entitlement for each Facility Group shall be the daily quantity specified for such Facility Group in Sections 19.4, 19.5 and 19.6, as applicable, multiplied by the dt conversion factor stated in Section 23 of the General Terms and Conditions of Transco's FERC Gas Tariff. The Maximum Daily Delivery Entitlement by Facility Group for the respective Winter and Summer Periods is a limitation applicable to the combined deliveries under all rate schedules under which Seller makes firm service deliveries to the delivery point operator at such Facility Group.

The Maximum Daily Delivery Entitlement for the respective Winter and Summer Periods at each Facility Group is the maximum quantity Seller is obligated to deliver to the delivery point operator and the delivery point operator is entitled to receive from Seller at such Facility Group.

(c) Definition of Facility Group Geographical Areas

The delivery point operator's delivery points on Seller's system are grouped geographically and designated as Facility Group Geographical Areas, as shown on the maps in Section 19.3. A delivery point is included if that location has a Maximum Daily Delivery Point Entitlement. Further, the Facility Group Geographical Area and the delivery point(s) within the Facility Group Geographical Area is designated as being on the mainline unless the Facility Group Geographical Area has a lateral designation (xx-L), as specified in Sections 19.4, 19.5, and 19.6.

(d) Facility Group Unauthorized Daily Overrun Quantities

Seller will provide the delivery point operator with deliveries in excess of delivery point operator's Maximum Daily Delivery Entitlement by Facility Group to the extent physical operating conditions permit and to the extent Seller is able reasonably to determine that such deliveries will not impair Seller's ability to provide firm service to other Buyers on Seller's pipeline system. However, the total deliveries at delivery point operator's Swing Service Delivery Points may not exceed the delivery point operator's confirmed gas quantities, including limit values plus any swing service overtakes and Tier I Unauthorized Overrun gas allocated at the associated Swing Service Delivery Point. Further, a Buyer may

not exceed Buyer's maximum daily transportation contract quantity ("TCQ") through any segment of Seller's pipeline.

(iv) Mainline Facility Group(s)

Deliveries in excess of the delivery point operator's Maximum Daily Delivery Entitlement by Facility Group, as described above, for a Facility Group designated as being located on the mainline will not be subject to the Facility Group Unauthorized Daily Overrun penalty set forth in Section 19.2 (e) below; however, any other applicable penalties under Seller's FERC Gas Tariff shall apply.

(v) Lateral Facility Group(s)

Deliveries in excess of the delivery point operator's Maximum Daily Delivery Entitlement by Facility Group, as described above, for a Facility Group designated as being located on a lateral will be subject to the Facility Group Unauthorized Daily Overrun penalty set forth in Section 19.2 (e) in the event that Seller issues a penalty notice, as described in Section 19.2 (d) (iii) below. Additionally, any other applicable penalties under Seller's FERC Gas Tariff shall apply.

(vi) Circumstances Giving Rise to a Lateral Penalty Notice

Notwithstanding the foregoing, to the extent that Seller reasonably determines that a delivery point operator's takes in excess of the Maximum Daily Delivery Entitlement by Facility Group is impairing Seller's ability to provide firm service to other Buyers that have delivery point(s) on the lateral, Seller shall issue a penalty notice to the offending delivery point operator. The penalty notice shall state (i) the quantity to which the delivery point operator must reduce its delivered quantities at the specified Facility Group, but not less than the Maximum Daily Delivery Entitlement by Facility Group and (ii) the effective date and time of the penalty notice. Seller shall attempt to give the delivery point operator reasonable time for voluntary action. However, exigent circumstances may exist which require that the penalty notice be made effective immediately.

(e) Facility Group Unauthorized Daily Overrun Penalty

In addition to any charges otherwise payable under Seller's rate schedules, the delivery point operator shall pay a penalty of \$10 per dt for any Facility Group Unauthorized Daily Overrun Quantity; provided, however, on any day in which the delivery point operator also incurs a Delivery Point Unauthorized Daily Overrun Penalty under Section 19.1(d) of the General Terms and Conditions, the delivery point operator's unauthorized overrun penalty shall be the greater of the penalty determined under Section 19.1(d) or the Facility Group Unauthorized Daily Overrun Penalty determined hereunder. The penalty revenue collected will be distributed pursuant to Section 54 of the General Terms and Conditions.

The payment of a penalty pursuant to this Section 19.2(e) shall under no circumstances be considered as giving the delivery point operator the right to take a Facility Group Unauthorized Daily Overrun Quantity or be considered as a substitute for any other remedy

available to Seller against the offending delivery point operator for failure to stay within its applicable Maximum Daily Delivery Entitlement by Facility Group.

(f) Updating Facility Group Entitlements

Seller shall file tariff records to revise each affected delivery point operator's Maximum Daily Delivery Entitlement(s) by Facility Group to reflect any additional Summer or Winter period increases resulting from incremental capacity expansion projects after (1) Buyer and Seller have executed the service agreement for such incremental service; and (2) the incremental facilities related thereto have been constructed and are ready for service.

The delivery point operator may request Seller to adjust its Maximum Daily Delivery Entitlement(s) by Facility Group(s) to reflect the delivery point operator's current delivery requirements on Seller's system. Seller is not obligated to agree to any of delivery point operator's requests. Seller will not agree to delivery point operator's request unless, at a minimum:

- (iii) Seller reasonably determines that such revised Maximum Daily Delivery Entitlements by Facility Group will not impair Seller's ability to provide firm service to other Buyers on Seller's pipeline system, and;
- (iv) No additional facilities are required to be installed or constructed on Seller's system.

In the event Seller agrees to delivery point operator's request, Seller shall file tariff records to revise delivery point operator's Maximum Daily Delivery Entitlements by Facility Group.



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Possible tariff language changes to the General Terms and Conditions, Sections 19.1 and 19.2, to clarify Delivery Point Entitlements (DPE's) as it pertains to individual delivery point operators, Delivery Point(s) and Facility Group(s). Proposed changes include (1) updating language to conform with other sections of the tariff; (2) modifying and updating the language in recognition that regulations, industry business practices and standards, and Transco's tariff have changed since DPEs were first introduced in 1991; (3) clarifying and defining mainline and lateral Facility Group Geographical Areas; (4) clarifying Unauthorized Daily Overrun Quantities; (5) eliminating the Unauthorized Daily Overrun Penalty for mainline delivery points and mainline Facility Groups; and (6) for delivery points and Facility Groups on laterals, clarifying and defining and when a Delivery Point or a Facility Group Unauthorized Daily Overrun Penalty would be issued. The proposed changes do not change the terms of the Stipulation and Agreement approved in 1991.

Applicable Sections:

19.1 Maximum Daily Delivery Point Entitlements

19.2 Maximum Daily Delivery Entitlements by Facility Group

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Posted: June 10, 2014

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GENERAL TERMS AND CONDITIONS

19.1 Maximum Daily Delivery Point Entitlements

(a) Applicability

This section of the General Terms and Conditions applies to each ~~Buyer~~ delivery point operator of a Swing Service Delivery Point for which Seller ~~renders or delivers~~ provides firm service at more than one point of delivery, other than ~~Buyers that have previously been~~ delivery point operators served under Seller's Rate ~~Schedules Schedule FT-G and OG.~~ This section specifies the Maximum Daily Delivery Point Entitlement which Seller is obligated to deliver ~~to each such Buyer~~ for the Winter Period (October through April) and for the Summer Period (May through September) at each such delivery point.

(b) Definition of Maximum Daily Delivery Point Entitlements

As utilized herein, and ~~except where Seller, pursuant~~ subject to Section 19.1(d) ~~herein, agrees to provide Buyer with deliveries in excess of Buyer's Maximum Daily Delivery Point Entitlement,~~ the Maximum Daily Delivery Point Entitlement ~~for an individual~~ at a delivery point shall be the daily quantity specified for such point in ~~the section of this tariff titled Daily Facility Group Sections 19.4, 19.5, and Delivery Point Entitlements 19.6, as applicable,~~ multiplied by ~~a fraction the numerator of which is the actual average systemwide Btu content per cubic foot of gas sold and transported in Seller's Rate Zones, and the denominator of which is 1,000.~~

~~Where Seller, pursuant to the dt conversion factor stated in Section 19.1(d) herein, provides Buyer with deliveries at an individual²³ of the General Terms and Conditions of Transco's FERC Gas Tariff. The Maximum Daily Delivery Point Entitlement for the respective Winter and Summer Periods at each delivery point in excess of Buyer's otherwise is a limitation applicable Maximum Daily Delivery Point Entitlement ("excess to the combined deliveries"), under all rate schedules under which Seller makes firm service deliveries to the Maximum Daily Delivery Point Entitlement for delivery point operator at that delivery point shall be adjusted upward to reflect the increased deliveries Seller has agreed to provide and the Buyer's Maximum Daily Delivery Point Entitlements at its remaining delivery points shall be reduced by a like amount in a manner as mutually agreed upon by Buyer and Seller for the period Seller has agreed to make such excess deliveries.~~

Subject to the limitations set forth in Section 19.2 of the General Terms and Conditions, the Maximum Daily Delivery Point Entitlement for ~~each~~ the respective Winter and Summer Period at each delivery point, ~~which represents a limitation applicable to the combined deliveries under all rate schedules under which Seller renders or delivers firm service to Buyer,~~ is the maximum quantity Seller is obligated to deliver to ~~Buyer and Buyer~~ the delivery point operator and the delivery point operator is entitled to receive from Seller at such delivery point ~~during any day of each Season.~~

~~(c) More than One Buyer~~

~~If the quantity of gas delivered at a single delivery point is applicable to gas delivered by Seller to more than one Buyer, the total measured amount shall be divided in accordance with mutually satisfactory operating arrangements among such Buyers.~~

~~(d) Delivery Point Unauthorized Daily Overrun Quantity~~

~~Buyer may submit to Seller a request for an authorized waiver of Buyer's Maximum Daily Delivery Point Entitlement on the day prior to, or on the day of, the proposed effective date of the waiver. Buyer's request shall specify the prospective time period to which the requested waiver would apply. If Buyer elects to submit a request on the day prior to the proposed effective date of the waiver, such request shall be submitted to Seller's Gas Control representatives by 3:00 p.m., Central Standard Time and Seller shall notify Buyer of authorization or denial of the waiver request by 4:00 p.m., Central Standard Time that same day. Any requested waivers pursuant to this section may be authorized by Seller in whole or in part on a not unduly discriminatory basis. In the event Buyer, without prior authorization by Seller, takes on any day at any individual delivery point a quantity of gas which is greater than Buyer's applicable Maximum Daily Delivery Point Entitlement then the quantity in excess of the Maximum Daily Delivery Point Entitlement shall be Buyer's Delivery Point Unauthorized Daily Overrun Quantity for such day to the extent that Seller determines that such deliveries impaired Seller's ability to provide firm service to other Buyers on Seller's pipeline system.~~

(c) Definition of Facility Group Geographical Areas

The delivery point operator's delivery points on Seller's system are grouped geographically and designated as Facility Group Geographical Areas, as shown on the maps in Section 19.3. A delivery point is included if that location has a Maximum Daily Delivery Point Entitlement. Further, the Facility Group Geographical Area and the delivery point(s) within the Facility Group Geographical Area is designated as being located on the mainline unless the Facility Group Geographical Area has a lateral designation (xx-L), as specified in Sections 19.4, 19.5, and 19.6.

(d) Delivery Point Unauthorized Daily Overrun Quantities

Seller will provide ~~Buyer~~the delivery point operator with ~~requested~~deliveries in excess of ~~Buyer's~~delivery point operator's Maximum Daily Delivery Point Entitlement to the extent physical operating conditions permit and to the extent Seller is able reasonably to determine that such deliveries will not impair Seller's ability to provide firm service to other Buyers on Seller's pipeline system. ~~In such circumstances, the delivery of gas in excess of Buyer's Maximum Daily Delivery Point Entitlement will be firm, provided that the total scheduled deliveries for such Buyer at all of its delivery points do not exceed Buyer's maximum daily contract demand~~However, the total deliveries at delivery point operator's Swing Service Delivery Points may not exceed the delivery point operator's confirmed gas quantities, including limit values plus any swing service overtakes and Tier I Unauthorized Overrun gas allocated at the associated Swing Service Delivery Points. Further, a Buyer may

not exceed Buyer's maximum daily transportation contract quantity ("TCQ") through any segment of Seller's pipeline.

(i) Mainline Delivery Point(s)

Deliveries in excess of the delivery point operator's Maximum Daily Delivery Point Entitlement, as described above, for a delivery point designated as being located on the mainline will not be subject to the Delivery Point Unauthorized Daily Overrun penalty set forth in Section 19.1 (e) below; however, any other applicable penalties under Seller's FERC Gas Tariff shall apply.

(ii) Lateral Delivery Point(s)

Deliveries in excess of the delivery point operator's Maximum Daily Delivery Point Entitlement, as described above, for a delivery point designated as being on a lateral will be subject to the Delivery Point Unauthorized Daily Overrun penalty set forth in Section 19.1 (e) in the event Seller issues a penalty notice, as described in Section 19.1 (d) (iii) below. Additionally, any other applicable penalties under Seller's FERC Gas Tariff shall apply.

(iii) Circumstances Giving Rise to a Lateral Penalty Notice

Notwithstanding the foregoing, to the extent that Seller reasonably determines that a delivery point operator's takes in excess of the Maximum Daily Delivery Point Entitlement at a delivery point designated as being located on a lateral is impairing Seller's ability to provide firm service to other Buyers that have delivery point(s) on the lateral, Seller shall issue a penalty notice to the offending delivery point operator. The penalty notice shall state (i) the quantity to which the delivery point operator must reduce its delivered quantities at the specified delivery point(s), but not less than the Maximum Daily Delivery Point Entitlement at the delivery point(s) and (ii) the effective date and time of the penalty notice. Seller shall attempt to give the delivery point operator reasonable time for voluntary action. However, exigent circumstances may exist which require that the penalty notice be made effective immediately.

(e) Delivery Point Unauthorized Daily Overrun Penalty

In addition to any charges otherwise payable under Seller's rate schedules, ~~Buyer~~the delivery point operator shall pay a penalty of \$10 per dt for any Delivery Point Unauthorized Daily Overrun Quantity. The penalty revenue collected will be distributed pursuant to Section 54 of the General Terms and Conditions.

The payment of a penalty ~~for such Unauthorized Overrun gas hereunder pursuant to this Section 19.1(e)~~ shall under no circumstances be considered as giving ~~Buyer~~the delivery point operator the right to take a Delivery Point Unauthorized Daily Overrun ~~gas~~Quantity or be considered as a substitute for any other remedy available to Seller against the offending ~~Buyer~~delivery point operator for failure to ~~respect its obligation to~~ stay within its applicable Maximum Daily Delivery Point Entitlement.

(f) Updating Delivery Point Entitlements

Seller shall file tariff records to ~~amend~~revise each affected ~~Buyer's~~delivery point operator's Delivery Point Entitlement(s) to reflect any additional Summer or Winter period ~~flexibility provided by~~increases resulting from incremental capacity expansion projects after (1) Buyer and Seller have executed the service agreement for such incremental service ; and (2) the incremental facilities related thereto have been constructed and are ready for service.

The delivery point operator may request Seller to adjust its existing Delivery Point Entitlements at its delivery point(s) to reflect the delivery point operator's current delivery requirements on Seller's system. Seller is not obligated to agree to any of delivery point operator's requests. Seller will not agree to delivery point operator's request unless, at a minimum:

- (i) Seller reasonably determines that such revised Delivery Point Entitlements will not impair Seller's ability to provide firm service to other Buyers on Seller's pipeline system, and;
- (ii) No additional facilities are required to be installed or constructed on Seller's system.

In the event Seller agrees to delivery point operator's request, Seller shall file tariff records to revise delivery point operator's Delivery Point Entitlements.

19.2 Maximum Daily Delivery Entitlement by Facility Group

(a) Applicability

This section of the General Terms and Conditions applies to each Buyer delivery point operator of a Swing Service Delivery Point for which Seller ~~renders or delivers~~ provides firm service at more than one point of delivery, other than ~~Buyers that have previously been~~ delivery point operators served under Seller's Rate ~~Schedules Schedule FT-G and OG~~. This section specifies the Maximum Daily Delivery Entitlement by Facility Group which Seller is obligated to deliver ~~to each such Buyer~~ for the Winter Period (October through April) and for the Summer Period (May through September) at each such Facility Group.

(b) Definition of Maximum Daily Delivery Entitlements by Facility Group

As utilized herein, and ~~except where Seller, pursuant~~ subject to Section 19.2(d), ~~agrees to provide Buyer with deliveries in excess of Buyer's Maximum Daily Delivery Point Entitlements by Facility Group,~~ the Maximum Daily Delivery Entitlement for each Facility Group shall be the daily quantity specified for such Facility Group in Sections 19.4 ~~through 19.6, titled Daily Facility Group and Delivery Point Entitlements,~~ multiplied by a fraction the numerator of which is the actual average systemwide Btu content per cubic foot of gas sold and transported in Seller's Rate Zones, and the denominator of which is 1,000, ~~19.5 and 19.6, as applicable,~~ multiplied by the dt conversion factor stated in Section 23 of the General Terms and Conditions of Transco's FERC Gas Tariff. The Maximum Daily Delivery Entitlement by Facility Group for the respective Winter and Summer Periods is a limitation applicable to the combined deliveries under all rate schedules under which Seller makes firm service deliveries to the delivery point operator at such Facility Group.

~~Where Seller, pursuant to Section 19.2(d) herein provides Buyer with deliveries at a Facility Group in excess of Buyer's otherwise applicable Maximum Daily Delivery Point Entitlement at that Facility Group ("excess deliveries"), the Maximum Daily Delivery Point Entitlement for that Facility Group shall be adjusted upward to reflect the increased deliveries Seller has agreed to provide and the Buyer's Maximum Daily Delivery Point Entitlements at its remaining Facility Groups shall be reduced by a like amount in a manner as mutually agreed upon by Buyer and Seller for the period Seller has agreed to make such excess deliveries.~~

The Maximum Daily Delivery Entitlement ~~by Facility Group for~~ for the respective Winter and Summer Periods at each Period at each group of delivery points, which represents a limitation applicable to the combined deliveries under all rate schedules under which Seller ~~renders or delivers firm service to Buyer,~~ Facility Group is the maximum quantity Seller is obligated to deliver to ~~Buyer and Buyer~~ the delivery point operator and the delivery point operator is entitled to receive from Seller at such Facility Group ~~during any day of each Period; provided, however, when Buyer receives deliveries of firm service from Seller in more than one Facility Group, Seller's obligation to deliver quantities to Buyer shall not exceed Buyer's firm contract entitlement under all rate schedules under which Seller renders firm service to Buyer.~~

~~(c) More than One Buyer~~

~~(c)~~ ———— If the quantity~~Definition~~ of gas delivered to the~~Facility Group~~ Geographical Areas

~~The delivery point operator's delivery points which comprise a Facility Group is applicable to gas delivered by Seller to more than one Buyer, on Seller's system are grouped geographically and designated as Facility Group Geographical Areas, as shown on the maps in Section 19.3. A delivery point is included if that location has a Maximum Daily Delivery Point Entitlement. Further, the Facility Group Geographical Area and the total daily quantity for delivery point(s) within the Facility Group shall be divided in accordance with mutually satisfactory operating arrangements among such Buyers. Geographical Area is designated as being on the mainline unless the Facility Group Geographical Area has a lateral designation (xx-L), as specified in Sections 19.4, 19.5, and 19.6.~~

~~(c)(d)~~ ———— (d) — Facility Group Unauthorized Daily Overrun ~~Quantity~~Quantities

~~Buyer may submit to Seller a request for an authorized waiver of Buyer's Maximum Daily Delivery Point Entitlement by Facility Group on the day prior to, or on the day of, the proposed effective date of the waiver. Buyer's request shall specify the prospective time period to which the requested waiver would apply. If Buyer elects to submit a request on the day prior to the proposed effective date of the waiver, such request shall be submitted to Seller's Gas Control representatives by 3:00 p.m., Central Standard Time and Seller shall notify Buyer of authorization or denial of the waiver request by 4:00 p.m., Central Standard Time that same day. Any requested waivers pursuant to this section may be authorized by Seller in whole or in part on a not unduly discriminatory basis. In the event Buyer, without prior authorization by Seller, takes on any day at any Facility Group an aggregate quantity of gas which is greater than Buyer's applicable Maximum Daily Delivery Entitlement by Facility Group then the quantity in excess of the Maximum Daily Entitlement by Facility Group shall be Buyer's Facility Group Unauthorized Daily Overrun Quantity for such day to the extent that Seller determines that such deliveries impaired Seller's ability to provide firm service to other Buyers on Seller's pipeline system.~~

~~Seller will provide Buyer the delivery point operator with requested deliveries in excess of Buyer's delivery point operator's Maximum Daily Delivery Entitlement by Facility Group to the extent physical operating conditions permit and to the extent Seller is able reasonably to determine that such deliveries will not impair Seller's ability to provide firm service to other Buyers on Seller's pipeline system. In such circumstances However, the total deliveries at delivery of point operator's Swing Service Delivery Points may not exceed the delivery point operator's confirmed gas in excess of Buyer's Maximum Daily quantities, including limit values plus any swing service overtakes and Tier I Unauthorized Overrun gas allocated at the associated Swing Service Delivery Point Entitlement for. Further, a Facility Group will be firm, provided that the total scheduled deliveries for such Buyer at all of its Facility Groups do may not exceed Buyer's Buyer's maximum daily transportation contract demand. quantity ("TCQ") through any segment of Seller's pipeline.~~

(iv) Mainline Facility Group(s)

Deliveries in excess of the delivery point operator's Maximum Daily Delivery Entitlement by Facility Group, as described above, for a Facility Group designated

as being located on the mainline will not be subject to the Facility Group Unauthorized Daily Overrun penalty set forth in Section 19.2 (e) below; however, any other applicable penalties under Seller's FERC Gas Tariff shall apply.

(v) Lateral Facility Group(s)

Deliveries in excess of the delivery point operator's Maximum Daily Delivery Entitlement by Facility Group, as described above, for a Facility Group designated as being located on a lateral will be subject to the Facility Group Unauthorized Daily Overrun penalty set forth in Section 19.2 (e) in the event that Seller issues a penalty notice, as described in Section 19.2 (d) (iii) below. Additionally, any other applicable penalties under Seller's FERC Gas Tariff shall apply.

(vi) Circumstances Giving Rise to a Lateral Penalty Notice

Notwithstanding the foregoing, to the extent that Seller reasonably determines that a delivery point operator's takes in excess of the Maximum Daily Delivery Entitlement by Facility Group is impairing Seller's ability to provide firm service to other Buyers that have delivery point(s) on the lateral, Seller shall issue a penalty notice to the offending delivery point operator. The penalty notice shall state (i) the quantity to which the delivery point operator must reduce its delivered quantities at the specified Facility Group, but not less than the Maximum Daily Delivery Entitlement by Facility Group and (ii) the effective date and time of the penalty notice. Seller shall attempt to give the delivery point operator reasonable time for voluntary action. However, exigent circumstances may exist which require that the penalty notice be made effective immediately.

(e) Facility Group Unauthorized Daily Overrun Penalty

In addition to any charges otherwise payable under Seller's rate schedules, Buyerthe delivery point operator shall pay a penalty of \$10 per dt for any Facility Group Unauthorized Daily Overrun Quantity; provided, however, on any day in which Buyerthe delivery point operator also incurs ana Delivery Point Unauthorized Daily Overrun Penalty under Section 19.1(ed) of the General Terms and Conditions, Buyer'sthe delivery point operator's unauthorized overrun penalty shall be the greater of the penalty determined under Section 19.1(ed) or the Facility Group Unauthorized Daily Overrun Penalty establisheddetermined hereunder. The penalty revenue collected will be distributed pursuant to Section 54 of the General Terms and Conditions.

The payment of a penalty for Buyer's Facility Group Unauthorized Overrun Quantity hereunderpursuant to this Section 19.2(e) shall under no circumstances be considered as giving Buyerthe delivery point operator the right to take a Facility Group Unauthorized Daily Overrun gasQuantity or be considered as a substitute for any other remedy available to Seller against the offending Buyerdelivery point operator for failure to respect its obligation to stay within its applicable Maximum Daily Delivery Entitlement by Facility Group.

(f) Updating Facility Group Entitlements

Seller shall file tariff records to ~~amend~~revise each affected ~~Buyer's~~delivery point operator's Maximum Daily Delivery Entitlement(s) by Facility Group to reflect any additional Summer or Winter period ~~flexibility provided by~~increases resulting from incremental capacity expansion projects after (1) Buyer and Seller have executed the service agreement for such incremental service; and (2) the incremental facilities related thereto have been constructed and are ready for service.

The delivery point operator may request Seller to adjust its Maximum Daily Delivery Entitlement(s) by Facility Group(s) to reflect the delivery point operator's current delivery requirements on Seller's system. Seller is not obligated to agree to any of delivery point operator's requests. Seller will not agree to delivery point operator's request unless, at a minimum:

- (iii) Seller reasonably determines that such revised Maximum Daily Delivery Entitlements by Facility Group will not impair Seller's ability to provide firm service to other Buyers on Seller's pipeline system, and;
- (iv) No additional facilities are required to be installed or constructed on Seller's system.

In the event Seller agrees to delivery point operator's request, Seller shall file tariff records to revise delivery point operator's Maximum Daily Delivery Entitlements by Facility Group.