

GENERAL TERMS AND CONDITIONS

28. NOMINATIONS; ALLOCATION OF CAPACITY; CURTAILMENT OF SERVICE; AND CONFIRMATIONS

28.1 Nominations

- (a) Buyer shall notify or cause Seller to be notified of Buyer's receipt and delivery requirements under all firm and interruptible storage and transportation rate schedules in advance of such requirements. All times in this Section 28 are Central Clock Time (pursuant to NAESB WGQ Standard No. 0.3.17). Seller, in its sole judgment, may waive any nomination and ranking deadlines, on a non-discriminatory basis, if Seller determines that operating conditions permit. At a receipt or delivery point, the lesser of rule (pursuant to NAESB WGQ Standard No. 1.3.22) applies when confirming. With respect to Buyer's desired levels of service under firm and interruptible transportation rate schedules, a nomination made through electronic data interchange shall include all mandatory Commission-approved data elements; for a nomination made through 1Line Buyer shall furnish Seller the following:
- (i) Buyer's Contract and ID;
 - (ii) the desired receipt and delivery points, the corresponding daily quantities, and the schedule ranks;
 - (iii) the upstream contract and party who will deliver gas to Buyer, if applicable;
 - (iv) the downstream contract and party who will receive gas from Buyer, if applicable;
 - (v) the begin and end dates upon which such deliveries are desired, provided the nomination begin and end dates are within the term of Buyer's contract; and
 - (vi) transaction type.
 - (vii) All nominations should be considered original nominations and should be replaced to be changed. An original nomination shall apply to each cycle within the gas day unless the nomination is revised. In that event, the revised nomination shall apply to subsequent cycles within the gas day. Intraday nominations can be used to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations submitted during the Timely, Evening, ID1, ID2, and ID3 Cycles have a prospective effect only; nominations

submitted during the Post Cycle and adjustments to prior gas days pursuant to Section 39 have a retroactive effect.

All nominations for storage or transportation service must be made electronically through 1Line or by electronic data interchange. However, in the event Seller experiences a failure of electronic communication equipment, internet, or third party service provider, or other similar emergency event which constitutes an event of force majeure pursuant to Section 11.1 of the General Terms and Conditions, such that Seller's communication capability is not available, Seller shall (i) for missed nomination cycles within the Gas Day, use Buyer's last confirmed nomination(s) at the time of the event, or (ii) when no confirmed quantities for the Gas Day exist, use Buyer's last nomination(s) accepted by Seller for the missed nomination cycle(s). ~~the event of a failure of electronic nomination communication equipment, Internet, or third party service provider, or other similar emergency event which constitutes an event of force majeure pursuant to Section 11.1 of the General Terms and Conditions, Buyer may submit and Seller will accept written nominations, provided that such force majeure events are documented by an affidavit provided by Buyer to Seller within 24 hours of such event. Any such requests by Buyer for emergency treatment shall be handled on a not unduly discriminatory basis.~~

In the event Buyer experiences a failure of electronic communication equipment, internet, or third party service provider, or other similar emergency event which constitutes an event of force majeure pursuant to Section 11.1 of the General Terms and Conditions, Seller shall handle requests from Buyer for emergency treatment, including written nominations, on a not unduly discriminatory basis.

- (b) Buyer's nomination and schedule ranks, to be deemed timely, must conform to the following timeline (the Timely Nomination timeline shall be on the day prior to gas flow):
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| 1:00 p.m. | Electronic nomination leaves control of the Buyer for nominations submitted by either 1Line or electronic data interchange; |
| 1:15 p.m. | Receipt of nomination by Seller through electronic data interchange, including from Title Transfer Tracking Service Providers (TTTSPs); |
| 1:30 p.m. | Quick response by Seller regarding validity of data elements of nominations received through electronic data interchange; |
| 4:30 p.m. | Receipt of completed confirmations by Seller from upstream and downstream connected operating entities; |
| 5:00 p.m. | Scheduled quantities made available by Seller for receipt by Shipper and point operator. |
- (c) Buyer's nomination and schedule ranks for intraday cycles will conform to the following timelines. For purposes of this section, "provide" shall mean, for

transmittals pursuant to standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

- (i) Seller will accept nominations and schedule ranks for a Gas Day which are received after the Timely Nomination and ranking deadlines identified in Section 28.1(b) until 6:00 p.m. the day before gas flows (Evening Nomination).
Evening Nomination Cycle:

- 6:00 p.m. Electronic nomination leaves control of the Buyer for nominations submitted by either 1Line or electronic data interchange;
- 6:15 p.m. Receipt of nomination by Seller through electronic data interchange, including from TTTSPs;
- 6:30 p.m. Quick response by Seller regarding validity of data elements of nominations received through electronic data interchange;
- 8:30 p.m. Receipt of completed confirmations by Seller from upstream and downstream connected operating entities;
- 9:00 p.m. Seller to provide scheduled quantities to affected Buyers and point operators, and provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations shall be effective at the start of the next Gas Day.

- (ii) Seller will accept nominations and schedule ranks for a gas day which are received after the nomination and ranking deadlines identified in Sections 28.1(b) and 28.1(c)(i) until 10:00 a.m. of the affected Gas Day (Intraday 1 Nomination (ID1)).

ID1 Cycle:

- 10:00 a.m. Electronic nomination leaves control of the Buyer for nominations submitted by either 1Line or electronic data interchange;
- 10:15 a.m. Receipt of nomination by Seller through electronic data interchange, including from TTTSPs;
- 10:30 a.m. Quick response by Seller regarding validity of data elements of nominations received through electronic data interchange;
- 12:30 p.m. Receipt of completed confirmations by Seller from upstream and downstream connected operating entities;
- 1:00 p.m. Seller to provide scheduled quantities to affected Shippers and point operators, and provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from ID1 shall be effective at 2:00 p.m. on the current Gas Day.

- (iii) Seller will accept nominations and schedule ranks for a gas day which are received after the nomination and ranking deadlines identified in Sections

28.1(b), 28.1(c)(i), and 28.1(c)(ii) until 2:30 p.m. of the affected Gas Day (Intraday 2 Nomination (ID2)).

ID2 Cycle:

- 2:30 p.m. Electronic nomination leaves control of the Buyer for nominations submitted by either 1Line or electronic data interchange;
- 2:45 p.m. Receipt of nomination by Seller through electronic data interchange, including from TTTSPs;
- 3:00 p.m. Quick response by Seller regarding validity of data elements of nominations received through electronic data interchange;
- 5:00 p.m. Receipt of completed confirmations by Seller from upstream connected operating entities;
- 5:30 p.m. Seller to provide scheduled quantities to affected Shippers and point operators, and provide scheduled quantities to bumped parties (notice to bumped parties).

Scheduled quantities resulting from ID2 shall be effective at 6:00 p.m. on the current Gas Day.

- (iv) Seller will accept nominations and schedule ranks for a Gas Day which are received after nomination and ranking deadlines identified in Sections 28.1(b), 28.1(c)(i), 28.1(c)(ii), and 28.1(c)(iii) until 7:00 p.m. of the affected Gas Day (Intraday 3 Nomination (ID3)).

ID3 Cycle:

- 7:00 p.m. Electronic nomination leaves control of the Buyer for nominations submitted by either 1Line or electronic data interchange, including from TTTSPs;
- 7:15 p.m. Receipt of nomination by Seller through electronic data interchange, including from TTTSPs;
- 7:30 p.m. Quick response by Seller regarding validity of data elements of nominations received through electronic data interchange;
- 9:30 p.m. Receipt of completed confirmations by Seller from upstream and downstream connected operating entities;
- 10:00 p.m. Seller to provide scheduled quantities to affected Shippers and point operators.

Scheduled quantities resulting from ID3 shall be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the ID3 cycle.

- (d) Seller will accept nominations and scheduled ranks for a Gas Day which are received after the nomination and ranking deadlines identified in Section 28.1(c)(iv) until 10:00 a.m. the day following the gas flow (Post Cycle) provided that:

- (i) confirmation of the receipt and delivery quantities is received by Seller from the affected point operators no later than 10:30 a.m. the day following the gas flow;
- (ii) it is operationally feasible to accommodate the requested nomination; and
- (iii) it is consistent with the tariff limitations applicable to such gas day.

Seller will provide scheduled quantities to affected Buyers and point operators by 11:30 a.m. the day following the gas flow. Scheduled quantities resulting from the Post Cycle are not subject to elapsed-prorated-scheduled quantities and bumping is not allowed.

- (e) Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the Intraday Nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. Elapsed-pro rata-scheduled quantity will apply to all nomination decreases submitted in the ID1, ID2, and ID3 cycles.
- (f) Seller will publish all bumping notices on 1Line as expeditiously as possible.
- (g) For services that provide for intraday nominations and scheduling, there is no limitation as to the number of intraday nominations (line items as per NAESB WGQ Standard No. 1.2.1) which a service requester may submit at any one standard nomination cycle or in total across all standard nomination cycles.

28.2 Allocation of Capacity

In reaching its determination of capacity which Seller anticipates that it will have available to satisfy Buyers' requests for services each day, Seller will use the following order of priority and procedures.

- (a) In the event that Seller is required to allocate capacity on its system, it shall give first priority to firm transportation service scheduled within firm transportation contract entitlements; provided however, TCQ entitlements that consist entirely of secondary firm entitlements obtained pursuant to Section 42 of the General Terms and Conditions shall be allocated pursuant to Section 28.2(a)(i). To the extent capacity remains, it shall be allocated among Buyers in the following order:
 - (i) first, to Buyers scheduling services pursuant to Section 2.8 of Rate Schedules FT and FT-G, Section 2.5 of Rate Schedule FTN, Section 4.2 of Rate Schedule FTP or Section 2.6 of Rate Schedule FDLs; and
 - (ii) then, ratably as a class, to Buyers paying the maximum rate under Rate Schedule IT, contracts or service agreements scheduling interruptible service to feed downstream firm service arrangements (as described in Section 3.9 of Rate Schedule IT), regardless of the date of such contracts or service

agreements, provided however, Buyers paying a negotiated rate which exceeds the maximum rate will be considered for purposes of this Section 28.2(a)(ii) to be paying the maximum rate; and

(iii) then, to all other interruptible transportation Buyers pursuant to Section 28.2(b).

(b) In allocating capacity among Buyers under Section 28.2(a)(iii) or curtailing service among Buyers under Section 28.4(a), Seller shall give interruptible priority based on Buyer's willingness to pay the highest unit rate for such service (not to exceed the maximum rate for such service set forth in Seller's applicable rate schedule) with Buyers paying the highest unit rate, or Buyers, which when given notice of interruption are willing to pay the highest unit rate, receiving first priority and so on (with capacity allocated on a pro rata basis among Buyers willing to pay the same unit rate for such service); provided however, Buyers paying a negotiated rate which exceeds the maximum rate will be considered for purposes of this Section 28.2(b) to be paying the maximum rate.

(c) When it is necessary to allocate capacity or curtail service only in a particular segment of Seller's system, any necessary allocation or reduction shall be implemented in accordance with this section only in that segment of Seller's system.

(d) Seller agrees to furnish to any Buyer requesting same at Seller's office during reasonable business hours, sufficient information to demonstrate the manner in which the monthly set-up and determinations and allocations of capacity have been made under this Section 28.

28.3 Allocation of Capacity Anticipated to be Available Through Seller's Daily Scheduling Procedure

In the event capacity becomes available on any day during the month which would enable Seller to render additional service on a daily basis, such additional capacity will be made available to those Buyers requesting service in the same priority order as set forth in Section 28.2.

28.4 Curtailment of Service

In the event that it becomes necessary for Seller to curtail services on a given day during the month, Seller shall curtail such service as follows:

(a) first, ratably pursuant to Section 28.2(b), to interruptible transportation Buyers except for those Buyers' services included in (b) below; and

(b) then, ratably to Buyers paying the maximum rate under Rate Schedule IT, contracts or service agreements scheduling interruptible service to feed downstream firm service arrangements (as described in Section 3.9 of Rate Schedule IT), regardless of the date of such contracts or service agreements; provided however, Buyers paying a

negotiated rate which exceeds the maximum rate will be considered for purposes of this Section 28.4(b) to be paying the maximum rate; and

- (c) then, ratably, to Buyers scheduling services pursuant to Section 2.8 of Rate Schedules FT and FT-G, or Section 2.5 of Rate Schedule FTN, Section 4.2 of Rate Schedule FTP or Section 2.6 of Rate Schedule FDLS, and to Buyers scheduling firm transportation service that is not considered secondary.

To the extent curtailments are applicable to a contract (or to transactions within a contract that are charged the same percentage of the maximum rate), Seller will use Buyer's provided schedule ranks (in accordance with NAESB defined data sets), or pro-rata if no ranks are provided by Buyer, to effectuate such curtailments.

28.5 Relief from Capacity Curtailment in Emergency Situations

Seller recognizes that exceptions to the levels of capacity curtailment resulting from this Section 28 may be required in response to emergency situations (including environmental emergencies) during periods of curtailment when capacity in excess of curtailed capacity levels is required to forestall irreparable injury to life or property or to provide for minimum plant protection. Any Buyer seeking emergency relief on this basis shall have the burden of establishing the nature and extent of its problem and the minimum quantity of capacity needed to avoid irreparable injury to life or property or to provide for minimum plant protection. Seller shall not be liable for granting exceptions from capacity curtailment under this Section 28.5 if such exception is based upon information submitted by Buyer to Seller as set forth below. In no event, however, shall the protection by the provisions hereof result in volumes delivered to Buyer in excess of Seller's maximum daily delivery obligation to Buyer at any delivery point under Rate Schedules FT, FTN, FTP, FT-G and FDLS and individually certificated firm transportation rate schedules (excluding deliveries made at that delivery point pursuant to Section 2.8 of Rate Schedules FT and FT-G, Section 2.5 of Rate Schedule FTN, Section 4.2 of Rate Schedule FTP or Section 2.6 of Rate Schedule FDLS).

When Buyer declares an emergency situation in order to forestall irreparable injury to life or property, Buyer shall, within 48 hours of such declaration, certify to Seller by sworn affidavit:

- (1) to the nature and extent of the emergency;
- (2) that all sources of gas available to Buyer, including peak-shaving and storage, have been used to the fullest extent possible;
- (3) that all interruptible services of Buyer have been curtailed during such emergency situation;
- (4) that no alternate fuel could be used to prevent such emergency situation; and
- (5) to a detailed plan to prevent a recurrence of similar emergency conditions.

28.6 Overrun of Entitlement During Capacity Curtailment

All quantities of gas taken by Buyer in excess of Seller's maximum daily delivery obligation to Buyer as curtailed pursuant to this Section 28 shall be subject to the overrun penalties set forth in Section 18 of the General Terms and Conditions.

28.7 Compensation

- (a) In the event that the provisions of Section 28.5 are activated by Seller as a result of a force majeure condition or an adverse governmental action, a Buyer receiving priority relief under Section 28.5 pursuant to such activation shall pay compensation, calculated in accordance with Section 28.7(c), to other Buyers that experienced greater curtailment as a consequence.
- (b) Within thirty days after the end of a month in which Seller has granted priority relief, Seller shall notify each Buyer that experienced greater curtailment ("Excess Curtailed Buyer") as to the quantity of capacity curtailments that such Excess Curtailed Buyer would not have experienced but for the grant of relief (the "Excess Curtailment Quantity"), and shall notify each Buyer that experienced lesser curtailment as to the additional capacity that such Buyer was allocated due to the grant of relief. Seller shall notify all Buyers whose allocations were affected by such relief of the pro rata allocation of the aggregate Excess Curtailment Quantity experienced by all Excess Curtailed Buyers, showing the quantity of capacity to be used for the purpose of determining the amount of compensation owed to each Excess Curtailed Buyer by each Buyer that experienced lesser capacity curtailment. The affected Buyers shall be responsible for resolution of any and all resulting compensation claims between themselves.
- (c) The Buyer that experienced lesser curtailment shall pay to the Excess Curtailed Buyer, damages in an amount equal to the one hundred percent (100%) load factor equivalent of the reservation charges applicable to the curtailed transportation capacity multiplied by the difference between (a) the Excess Curtailed Buyer's pro rata capacity curtailment quantity determined under Section 28.4 and (b) the capacity curtailment quantity determined pursuant to this Section 28. Such payment shall in no way limit the right of Excess Curtailed Buyers to seek further damages in another forum from Buyers that experienced lesser curtailment due to the grant of priority relief pursuant to this Section 28.

28.8 Nominations of Pooling Points

The following requirements shall apply for nominations relating to service under Rate Schedule POOLING:

- (a) A Buyer may only submit an aggregation nomination under its firm or interruptible transportation agreement(s) for pooling under that same Buyer's applicable pooling service agreement; and

- (b) Gas may be transported from wellhead and interconnect points to either interruptible or firm pooling agreements on either firm or interruptible transportation agreements; and
- (c) Gas may be transferred from a Buyer's firm pooling agreement to another Buyer's firm pooling agreement at the same pooling point (pool to pool transfer) on either a firm or an interruptible transportation agreement; and
- (d) Gas may be transferred from a Buyer's interruptible pooling agreement to another Buyer's interruptible pooling agreement (pool to pool transfer) only on an interruptible transportation agreement; and
- (e) Gas may be transferred from an interruptible pooling agreement to a firm pooling agreement; provided, however, gas may not be transferred from a firm pooling agreement to an interruptible pooling agreement; and
- (f) Transportation transactions receiving gas from a firm pooling agreement must be transported on a firm transportation agreement except as otherwise identified above; and
- (g) Transportation transactions receiving gas from an interruptible pooling agreement may be transported on either a firm or an interruptible transportation agreement except as otherwise identified above.
- (h) Transfers between pooling agreements that occur at the same pooling point shall not be charged a transportation rate nor shall the quantity transferred be reduced for fuel retention.

28.9 Confirmations

An upstream or downstream operating entity's confirmation, pursuant to Section 28.1 herein, will be applied to subsequent cycles within the gas day unless the operating entity revises such confirmation. In that event, any such revised confirmation will be applied to subsequent cycles within the gas day.

In the event that an upstream or downstream operating entity's confirmation, pursuant to Section 28.1(b) and 28.1(c) herein, reduces the scheduled quantities and such reductions are made in aggregate for the point, Seller shall reduce such quantities as follows:

- (a) first, ratably pursuant to Section 28.2(b), to interruptible transportation Buyers except for those Buyers' services included in (b) below; and
- (b) then, ratably to Buyers paying the maximum rate under the Rate Schedule IT, contracts or service agreements scheduling interruptible service to feed downstream firm service; provided, however, Buyers paying a negotiated rate

which exceeds the maximum rate will be considered for purposes of this Section 28.9(b) to be paying the maximum rate; and

- (c) then ratably to Buyers having scheduled services pursuant to Section 2.8 of Rate Schedules FT and FT-G, Section 2.5 of Rate Schedule FTN, Section 4.2 of Rate Schedule FTP or Section 2.6 of Rate Schedule FDLS; and
- (d) then, ratably to Buyers having scheduled services previously confirmed pursuant to Section 2.8 of Rate Schedules FT and FT-G, Section 2.5 of Rate Schedule FTN, Section 4.2 of Rate Schedule FTP or Section 2.6 of Rate Schedule FDLS, and to Buyers scheduling firm transportation service that is not considered secondary.

To the extent reductions in the confirmation process are applicable to a contract (or to transactions within a contract that are charged the same percentage of the maximum rate), Seller will use Buyer's provided schedule ranks (in accordance with NAESB defined data sets), or pro-rata if no ranks are provided by Buyer, to effectuate such reductions to the scheduled quantities. Seller shall not allow reductions below the elapsed pro-rata scheduled quantity (as defined in Section 28.1(e) herein) without the express consent of the affected party(s).