



Transcontinental Gas Pipe Line Company, LLC

February 16, 2017

DRAFT VERSION – FOR DISCUSSION PURPOSES ONLY

On February 9, 2017 Transco posted a notice that a revised proposed draft priority of service filing was coming soon. That material is now available for shippers and operators to review and provide comments or questions to Transco during and following webinars that will be held in March, 2017. These proposed tariff changes have six new or revised business practices embedded within the four new proposed sections to Transco's General Terms and Conditions ("GT&C"). The new sections of the GT&C include: Section 57 Priority of Service, Section 58 Contract Entitlement Validations, Section 59 Scheduling and Curtailment, and Section 60 Confirmations. These business practices along with references to where each is specified in the revised proposed draft filing include:

1. Establishing that HBLVs will be at a point (Rate Schedule FT Section 5.1(b))
2. Clarifying traditional vs. non-traditional rights (Rate Schedule FT Section 4.1)
3. Defining priorities specifically for HBLVs (GT&C Section 57.6)
4. Establishing the ability to allocate HBLVs by location or segment (GT&C Section 59.1(c)(ii))
5. Eliminating overlapping HBLVs at a nominatable point (Rate Schedule FT Section 4.7)
6. Establishing the ability to allocate capacity at a TSB by segment – Nominations Only (GT&C Section 59.1(a))

The majority of the edits and additions to this newly proposed tariff filing are based on Transco's effort to better define high burn limit values (HBLVs) as a part of our no-notice service. This includes adding the ability within the tariff to provide HBLVs at non-traditional points (i.e., those points within the path and not on the service contract) and secondary points, along with removing any path associated with a HBLV. HBLVs will only be evaluated at the designated swing service delivery point (SSDP) instead of along a presumed path. To the extent Transco is unable to fulfill all requests for no-notice service, the available swing service will be allocated as described in Section 59.1(c)(ii) based on the priorities established in Section 57.6. Further, Section 59.1(c) affirms that traditional nominations and traditional HBLVs are equal in priority. Business practices #1 through #5 above are grounded on the existing terms of Transco's Rate Schedule FT Section 5.1(b), which addresses Transco's no-notice service obligation and states that "Buyer may take daily delivery, at the point(s) of delivery set forth in Buyer's service agreement hereunder, of quantities greater than or less than the quantities scheduled in advance...pursuant to the procedures...governing designation of delivery point 'swing services' at Swing Service Delivery Points..."¹

Business practice #6, establishing the ability to allocate capacity at a TSB by segment, is based on the existing terms of Transco's GT&C Section 28.2(c) [as reflected in proposed GT&C Section 59.1(a)] which states that, "When it is necessary to allocate capacity or curtail service only in a particular segment...any necessary allocation or reduction shall be implemented in accordance with this section only in that segment of Seller's system." Allocating capacity at a TSB by segment will consider nominations to delivery

¹ Similar language is included in Transco's other no-notice rate schedules.

points on the contract as well as nominations to delivery points within the contract path but not specified on the contract, as equal priorities, similar to Transco's current business practice when allocating nominations at a TSB by point.

Please refer to the recent EBB posting made on February 16, 2017 that provides additional information for signing up for the webinars offered in March, 2017 that will more fully explain the proposed draft filing. The newly proposed draft GT&C Sections 57-60 can be viewed [here](#). Other sections of the tariff have a variety of conforming revisions that can be reviewed [here](#). In addition, a [summary](#) of the associated changes with a brief explanation is provided for your convenience.

We encourage both our shippers and operators to review the changes, attend the webinars, and continue to provide us with questions and feedback. Transco values your opinion and will consider revisions based on your input. Any further changes to the proposed edited sections will be posted to Transco's Informational Postings page accompanied by a non-critical notice posted through our 1Line EBB in advance of any FERC filing.

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