

# Rates Schedule

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Description	Sheet Nos.	Revision	Effective Date
Statement of Transportation Rates	<a href="#">20</a>	Seventh Revised Sheet No. 20	April 1, 2005
Firm Transportation Service FT-1	<a href="#">30</a>	Original Sheet No. 30	November 10, 1997
Firm Transportation Service FT-1	<a href="#">31</a>	First Revised Sheet No. 31	April 1, 2005
Firm Transportation Service FT-1	<a href="#">32</a>	Second Revised Sheet No. 32	July 1, 2002
Firm Transportation Service FT-1	<a href="#">33</a>	Fifth Revised Sheet No. 33	April 1, 2005
Firm Transportation Service FT-1	<a href="#">34</a>	Original Sheet No. 34	November 10, 1997
Firm Transportation Service FT-2	<a href="#">40</a>	Original Sheet No. 40	November 10, 1997
Firm Transportation Service FT-2	<a href="#">41</a>	Second Revised Sheet No. 41	April 1, 2005
Firm Transportation Service FT-2	<a href="#">42</a>	Second Revised Sheet No. 42	April 1, 2005
Firm Transportation Service FT-2	<a href="#">43</a>	Third Revised Sheet No. 43	July 1, 2002
Firm Transportation Service FT-2	<a href="#">44</a>	Fifth Revised Sheet No. 44	April 1, 2005
Firm Transportation Service FT-2	<a href="#">45</a>	Original Sheet No. 45	November 10, 1997
Interruptible Transportation Service	<a href="#">50</a>	Original Sheet No. 50	November 10, 1997
Interruptible Transportation Service	<a href="#">51</a>	First Revised Sheet No. 51	April 1, 2005
Interruptible Transportation Service	<a href="#">52</a>	Second Revised Sheet No. 52	July 1, 2002
Interruptible Transportation Service	<a href="#">53</a>	Fifth Revised Sheet No. 53	April 1, 2005
Interruptible Transportation Service	<a href="#">54</a>	Original Sheet No. 54	November 10, 1997

# Discovery Gas Transmission LLC

Original Volume No. 1

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**First Revised Sheet No. 0 : Effective**

***Superseding: Original Sheet No. 0***

FERC GAS TARIFF  
ORIGINAL VOLUME No. 1  
OF  
DISCOVERY GAS TRANSMISSION LLC  
FILED WITH  
FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this tariff  
should be addressed to:

Mr. Kevin Rehm  
Vice President  
Discovery Gas Transmission LLC  
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## Original Sheet No. 1 : Effective

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## Original Sheet No. 2 : Effective

Sheet Nos. 2 through 9 are reserved for future use.

## Original Sheet No. 10 : Effective

### PRELIMINARY STATEMENT

Discovery Gas Transmission LLC (Discovery) is a Limited Liability Company, organized under the laws of the State of Delaware, engaged in the business of transporting Natural Gas and Condensates in interstate commerce under authorization granted by and subject to the jurisdiction of the Federal Energy Regulatory Commission. Discovery owns and operates an offshore Natural Gas transmission pipeline located in the Federal Domain, Offshore Louisiana, with a terminus onshore in the vicinity of Larose, Louisiana.

The Transportation of Natural Gas is and will be undertaken by Discovery only under written agreement(s) acceptable to Discovery upon consideration of existing commitments, operating conditions and any other factors deemed pertinent by Discovery.

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## Original Sheet No. 11 : Effective

SYSTEM MAP

This sheet to be replaced by System Map.

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## Original Sheet No. 12 : Effective

Sheet Nos. 12 through 19 are reserved for future use.

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## Seventh Revised Sheet No. 20 : Effective

*Superseding: Sixth Revised Sheet No. 20*

STATEMENT OF TRANSPORTATION RATES  
(Rates per Dt)

Rate Schedule	Maximum Rate	Minimum Rate
FT-1 Rate Schedule		
Monthly Reservation Rate	\$4.77240	\$0.00800
Daily Reservation Rate 1/	\$0.15690	\$0.00024
FT-2 Rate Schedule		
Usage Rate	\$0.15690	\$0.00800
IT Rate Schedule		
Usage Rate	\$0.15690	\$0.00800
Gathering Charge applied to volumes transported through Gathering Facilities	\$0.03900	\$0.00200

Additional Charges Applicable to All Rate Schedules:

Annual Charge Adjustment (ACA) Rate 2/	\$0.0019
Fuel, Lost and Unaccounted for Gas	0.0% of Gas Receipts

## First Revised Sheet No. 21 : Effective

*Superseding: Original Sheet No. 21*

1/ Section 154.107(f) of the Commission's Regulations requires a total rate. For this purpose only, a Daily Reservation Charge which equals the Monthly Reservation Charge divided by 30.4167 (365 days/12 months) is reflected.

For capacity release transactions at maximum rate, the Monthly Reservation Charge is divided by the number of Days in the applicable Month. For less than maximum rate transactions only, converting Daily rate to Monthly rate is accomplished by multiplying the Daily rate times number of Days in rate period, dividing the result by number of Months in rate period and taking the remainder out to 5 decimal places and rounding up or down to the fourth decimal place. Converting a Monthly rate to a Daily rate is accomplished by multiplying the Monthly rate by the number of Months in rate period; dividing the result by number of Days in rate period and taking the remainder out to 5 decimal places and rounding up or down to the fourth decimal place.

2/ For the period during which this ACA Rate is effective, it is Transporter's intent not to seek recovery of any annual charges assessed pursuant to Part 382 of the Commission's Regulations and Commission Order No. 472, except as permitted under this ACA Rate. This ACA surcharge is in addition to any amounts otherwise payable to Transporter under its Rate Schedules.

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**Original Sheet No. 22 : Effective**

## Original Sheet No. 30 : Effective

### FT-1 RATE SCHEDULE FIRM TRANSPORTATION SERVICE

#### 1. AVAILABILITY

This FT-1 Rate Schedule is available to any Shipper for Firm Transportation of Gas by Discovery Gas Transmission LLC (Transporter) under the authority and provisions of Part 284 of the Federal Energy Regulatory Commission's (Commission) regulations, provided that:

- a. Transporter determines that it has sufficient System Capacity to render the Firm Transportation service and is able to provide said Transportation;
- b. Any construction, acquisition, or expansion of facilities necessary to commence and provide the Firm Transportation service has been completed;
- c. Any Shipper requesting Firm Transportation service under Section 311 of the Natural Gas Policy Act (NGPA) has provided written certification, including sufficient information to verify that the requested service qualifies under Section 311 of the NGPA, and certifications have been received from the qualifying local distribution companies or intrastate pipelines in accordance with Section 4 of the General Terms and Conditions;
- d. Shipper satisfies the creditworthiness criteria of Section 10 of the General Terms and Conditions; and
- e. Shipper executes the FT-1 Firm Service Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule within ten (10) Business Days after it is provided to Shipper.




# First Revised Sheet No. 31 : Effective

## *Superseding: Original Sheet No. 31*

### 2. APPLICABILITY AND CHARACTER OF SERVICE

- a. Transportation service hereunder, through all or any portion of Transporter's System, will be Firm, subject to the availability of capacity, to the provisions of an Effective FT-1 Firm Service Agreement, and to the General Terms and Conditions.
- b. Transportation service hereunder will consist of the acceptance by Transporter of Gas tendered for the account of Shipper for Transportation from the Primary Receipt Point(s) specified in an Effective FT-1 Firm Service Agreement, or Alternate Receipt Point(s) as nominated by Shipper, the Transportation of that Gas through Transporter's System, and the delivery of that Gas, after appropriate reductions for Fuel, Lost and Unaccounted for Gas, for the account of Shipper at the Primary Delivery Point(s) specified in an Effective FT-1 Firm Service Agreement or Alternate Delivery Point(s) as nominated by Shipper.
- c. Transportation service provided under this Rate Schedule is limited to Shipper's MDRQ and to the MDQs for each Primary Receipt and Delivery Point specified in an Effective FT-1 Firm Service Agreement, and Transporter shall not be obligated to provide Transportation service hereunder in excess of the MDRQ and the MDQs so specified.

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# Second Revised Sheet No. 32 : Effective

## *Superseding: First Revised Sheet No. 32*

### 3. RATES AND CHARGES

The applicable charges for Transportation services provided under this FT-1 Rate Schedule are set forth in the currently effective Sheet No. 20 of

this FERC Gas Tariff or in Exhibit D to the FT-1 Service Agreement, in the case of Negotiated Rates. For all Transportation service rendered under this Rate Schedule, Shipper shall pay Transporter each Month the sum of the reservation charge, ACA Charge, and any other charges authorized under the provisions of this FERC Gas Tariff, as follows:

- a. Reservation Charge - An amount determined as the product of:
  - i. The Shipper's MDRQ specified in Exhibit B of an Effective FT-1 Service Agreement; and
  - ii. The reservation rate(s) per Dt set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
  
- b. ACA Charge - An amount determined as the product of:
  - i. The total quantity of Gas in Dts received by Transporter for the account of Shipper during the previous Month; and
  - ii. The ACA rate per Dt set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
  
- c. Gathering Charge - If Shipper designates a Receipt Point(s) identified as a Gathering Receipt Point on Exhibit A to the FT-1 Service Agreement, then, in addition to the charges above, Shipper shall pay an amount determined as the product of:
  - i. The Shipper's MDRQ specified in Exhibit B of an Effective FT-1 Service Agreement; and
  - ii. The Gathering charge per Dt set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
  
- d. Any charges authorized from time to time under the provisions of this FERC Gas Tariff.

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**Fifth Revised Sheet No. 33 : Effective**

***Superseding: Fourth Revised Sheet No. 33***

Transporter may at any time and from time to time charge any Shipper for

service under this Rate Schedule, a reservation charge predicated upon a reservation rate that is less than the maximum reservation rate set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff; provided, that the reservation rate may not be less than the effective minimum reservation rate.

Transporter shall file any and all reports required by the Commission's regulations setting forth the applicable discounted reservation rates and Shippers affected, along with any other required information.

#### 4. FUEL, LOST AND UNACCOUNTED FOR GAS

In addition to the charges stated herein, each Shipper under this Rate Schedule will be assessed its proportionate share of Fuel, Lost and Unaccounted for Gas resulting from System operations. Each Shipper's deliveries from the System will be reduced by zero per cent (0.0%) from its total receipts into Transporter's System until July 1, 2005. Transporter will calculate the actual amount of Fuel, Lost and Unaccounted for Gas experienced during each calendar Year and file any revisions to the reduction percentage to more closely approximate the actual amount of Fuel, Lost and Unaccounted for Gas experienced by the System and to reflect differences between projections and actual fuel and losses from the previous calendar Year. The revised percentage of reduction will be filed to become effective on July 1 of each Year.

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## Original Sheet No. 34 : Effective

#### 5. APPLICABILITY OF GENERAL TERMS AND CONDITIONS

Unless otherwise expressly indicated in this Rate Schedule or in an Effective FT-1 Firm Service Agreement, all of the General Terms and Conditions contained in this FERC Gas Tariff, including any future modifications, additions or deletions, from and after their effective dates, are applicable to Firm Transportation service rendered under this Rate Schedule and, by this reference, are incorporated and hereby made a part of this Rate Schedule.

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## Original Sheet No. 35 : Effective

Sheet Nos. 35 through 39 are reserved for future use.

## Original Sheet No. 40 : Effective

### FT-2 RATE SCHEDULE FIRM TRANSPORTATION SERVICE

#### 1. AVAILABILITY

This FT-2 Rate Schedule is available to any Shipper for Firm Transportation by Discovery Gas Transmission LLC (Transporter) of Gas produced from Committed Production under the authority and provisions of Part 284 of the Federal Energy Regulatory Commission's (Commission) regulations, provided that:

- a. Transporter determines that it has sufficient System Capacity to render the Firm Transportation service and is able to provide said Transportation;
- b. Any construction, acquisition, or expansion of facilities necessary to commence and provide the Firm Transportation service has been completed;

- c. Any Shipper requesting Firm Transportation service under Section 311 of the Natural Gas Policy Act (NGPA) has provided written certification, including sufficient information to verify that the requested service qualifies under Section 311 of the NGPA, and certifications have been received from the qualifying local distribution companies or intrastate pipelines in accordance with Section 4 of the General Terms and Conditions;
- d. Shipper satisfies the creditworthiness criteria of Section 10 of the General Terms and Conditions;
- e. Shipper executes the FT-2 Firm Service Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule within ten (10) Business Days after it is provided to Shipper; and

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## Second Revised Sheet No. 41 : Effective

### *Superseding: First Revised Sheet No. 41*

- f. Shipper has committed the Committed Production to Transporter for Transportation under this Rate Schedule and satisfactorily submits documentation establishing P-50 reserves of the Committed Production within eighteen (18) Months after committing the Committed Production. Shipper's MDVQ established in accordance with Subsection 2.a. of this FT-2 Rate Schedule for service, based on Shipper's good faith estimate before the Committed Production is documented, will not be increased as a result of such documentation unless firm capacity is available at that time.
- g. A Shipper with an Effective FT-2 Service Agreement may request an increase of its MDVQ if the estimated or proven amount of its Committed Production increases as the result of documentation, or drilling additional wells or acquiring additional Gas production rights in the blocks, lands and leases dedicated to Transporter and described in

Shipper's Effective FT-2 Service Agreement. Shipper must submit a written request for an increase of its MDVQ in accordance with Section 4 of Transporter's FERC Gas Tariff, and capacity will be awarded in accordance with Section 2 of Transporter's FERC Gas Tariff.

## 2. APPLICABILITY AND CHARACTER OF SERVICE

- a. Transportation under this Rate Schedule is limited to Committed Production as described in Shipper's Effective FT-2 Service Agreement and is further limited to the MDVQ, as defined in this Subsection 2.a.

Shipper's MDVQ for Transportation service provided before Shipper satisfactorily documents the Committed Production will be an amount equal to Shipper's good faith estimate of the Committed Production divided by two thousand nine hundred and twenty (2920). This amount will be prorated, based on the number of Days the FT-2 service is in effect prior to the recalculation date, which will be July 1 of each Year, unless otherwise specified. Thereafter, the MDVQ will be determined by subtracting the quantities of Gas shipped during the previous Contract Year from the Committed Production

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**First Revised Sheet No. 42 : Effective**

***Superseding: Original Sheet No. 42***

and dividing the result by two thousand nine hundred and twenty (2920).

- b. Transportation service hereunder, through all or any portion of Transporter's System, will be Firm, subject to the availability of capacity, to the provisions of an Effective FT-2 Firm Service Agreement, and to the General Terms and Conditions.
- c. Transportation service hereunder will consist of the acceptance by Transporter of Gas tendered for the account of Shipper for Transportation from the

Primary Receipt Point(s) specified in an Effective FT-2 Firm Service Agreement, the Transportation of that Gas through Transporter's System, and the delivery of that Gas, after appropriate reductions for Lost and Unaccounted for Gas, for the account of Shipper at the Primary Delivery Point(s) specified in an Effective FT-2 Firm Service Agreement or Alternate Delivery Point(s) as nominated by Shipper.

- d. Transporter shall not be obligated to provide Transportation service hereunder in excess of the MDVQ, as determined for each Contract Year in accordance with Subsection 2.a.
- e. Shipper shall submit documentation to Transporter in accordance with Subsection 1.f. of this FT-2 Rate Schedule, proving the P-50 reserves of the Committed Production. If, in Transporter's reasonable judgment, the documentation submitted by Shipper fails to establish the P-50 reserves of the Committed Production, Transporter and Shipper will review the data underlying the documentation and attempt to reach agreement. If Transporter and Shipper are unable to reach such agreement, Transporter and Shipper will agree upon a qualified third-party expert whose good faith determination shall establish the P-50 reserves of the Committed Production and shall be binding upon Transporter and Shipper. Transporter and Shipper will share equally the costs of the qualified third-party expert agreed to by Transporter and Shipper.
- f. If, after the commencement of production from Committed Production, Shipper fails to ship at least fifty per cent (50%) of its MDVQ during any consecutive twelve (12) Month period, Transporter shall have the right to reduce Shipper's MDVQ for the following Contract Year. The reduced MDVQ will be one hundred fifty per cent (150%) of the Gas shipped during said twelve (12) Month period. Shipper will have the opportunity to retain Firm

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**Third Revised Sheet No. 43 : Effective**

***Superseding: Second Revised Sheet No. 43***

service under Shipper's FT-1 Rate Schedule equal to the reduction under

Transporter's right of first refusal procedures, as set forth in Section 12 of the General Terms and Conditions.

### 3. RATES AND CHARGES

The applicable charges for Transportation services provided under this FT-2 Rate Schedule are set forth in the currently effective Sheet No. 20 of this FERC Gas Tariff or in Exhibit E to the FT-2 Service Agreement, in the case of Negotiated Rates. For all Transportation service rendered under this Rate Schedule, Shipper shall pay Transporter each Month the sum of the Usage Charge, the ACA Charge, and any other charges authorized under the provisions of this FERC Gas Tariff, as follows:

- a. Usage Charge - An amount determined as the product of:
  - i. The total quantity of Gas in Dts received by Transporter for the account of Shipper during the previous Month; and
  - ii. The usage rate(s) per Dt set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- b. ACA Charge - An amount determined as the product of:
  - i. The total quantity of Gas in Dts received by Transporter for the account of Shipper during the previous Month; and
  - ii. The ACA rate per Dt set forth on the currently effective Sheet No. 20 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- c. Gathering Charge - If Shipper designates a Receipt Point(s) identified as a Gathering Receipt Point on Exhibit A to the FT-2 Service Agreement, then, in addition to the charges above, Shipper shall pay an amount determined as the product of:
  - i. The total quantity of Gas in Dts received by Transporter for the account of Shipper during the previous Month; and
  - ii. The Gathering Charge per Dt set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- d. Any charges authorized from time to time under the provisions of this FERC Gas Tariff.

## Superseding: Fourth Revised Sheet No. 44

Transporter may at any time and from time to time charge any Shipper for service under this Rate Schedule, a usage charge predicated on a usage rate that is less than the maximum usage rate set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff; provided, that the usage rate may not be less than the effective minimum usage rate.

Transporter shall file any and all reports required by the Commission's regulations setting forth the applicable discounted usage rates and Shippers affected, along with any other required information.

### 4. FUEL, LOST AND UNACCOUNTED FOR GAS

In addition to the charges stated herein, each Shipper under this Rate Schedule will be assessed its proportionate share of Fuel, Lost and Unaccounted for Gas resulting from System operations. Each Shipper's deliveries from the System will be reduced by zero per cent (0.0%) from its total receipts into the System until July 1, 2005. Transporter will calculate the actual amount of Fuel, Lost and Unaccounted for Gas experienced during each calendar Year and file any revisions to the reduction percentage to more closely approximate the actual amount of Fuel, Lost and Unaccounted for Gas experienced by the System and to reflect differences between projections and actual fuel and losses from the previous calendar Year. The revised percentage of reduction will be filed to become effective on July 1 of each Year.

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## Original Sheet No. 45 : Effective

### 5. APPLICATION OF GENERAL TERMS AND CONDITIONS

Unless otherwise expressly indicated in this Rate Schedule or in an Effective FT-2 Firm Service Agreement, all of the General Terms and Conditions contained in this FERC Gas Tariff, including any future modifications, additions or deletions, from and after their effective dates, are applicable to Firm Transportation service rendered under this Rate Schedule and, by this reference,

are incorporated and hereby made a part of this Rate Schedule.

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## Original Sheet No. 46 : Effective

Sheet Nos. 46 through 49 are reserved for future use.

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[Sheet Index Table](#)    [CP96-712-002](#)

## Original Sheet No. 50 : Effective

### IT RATE SCHEDULE INTERRUPTIBLE TRANSPORTATION SERVICE

#### 1. AVAILABILITY

This IT Rate Schedule is available to any Shipper for Interruptible Transportation of Gas by Discovery Gas Transmission LLC (Transporter) under the authority and provisions of Part 284 of the Federal Energy Regulatory Commission's (Commission) Regulations, provided that:

- a. Transporter determines that it has available System

Capacity to render the Interruptible Transportation service and is able to provide said Transportation;

- b. Any construction, acquisition, or expansion of facilities necessary to commence and provide the Interruptible Transportation service has been completed;
- c. Any Shipper requesting Interruptible Transportation service under Section 311 of the Natural Gas Policy Act (NGPA) has provided written certification, including sufficient information to verify that the requested service qualifies under Section 311 of the NGPA, and certifications have been received from the qualifying local distribution companies or intrastate pipelines in accordance with Section 4 of the General Terms and Conditions;
- d. Shipper satisfies the creditworthiness criteria of Section 10 of the General Terms and Conditions; and
- e. Shipper executes an IT Service Agreement in the form contained in this FERC Gas Tariff for service under this Rate Schedule within ten (10) Business Days after it is provided to Shipper.

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## First Revised Sheet No. 51 : Effective

### *Superseding: Original Sheet No. 51*

#### 2. APPLICABILITY AND CHARACTER OF SERVICE

- a. Transportation service hereunder, through all or any portion of Transporter's System, will be Interruptible, subject to the availability of capacity and Transporter's operating conditions and System requirements, to the provisions of an Effective IT Service Agreement and to the General Terms and Conditions.
- b. Transportation service hereunder shall consist of the acceptance by Transporter of Gas tendered for the account of Shipper for Transportation from the Receipt Point(s) specified in an Effective IT Service Agreement, the Transportation of that Gas

through Transporter's System, and the delivery of that Gas, after appropriate reductions for Fuel, Lost and Unaccounted for Gas, for the account of Shipper at the Delivery Point(s) specified in an Effective IT Service Agreement.

- c. Transportation service provided under this Rate Schedule is limited to Shipper's MDTQ specified in an Effective IT Service Agreement and Transporter shall not be obligated to provide Transportation service hereunder in excess of the MDTQ so specified.
- d. Transportation service under this IT Rate Schedule is subject to interruption on any Day if Transporter receives nominations for Transportation service in excess of Transporter's Available Capacity. In such event, FT-1 and FT-2 service will be scheduled first, followed by IT service, in the manner set forth in Section 6 of the General Terms and Conditions.

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## Second Revised Sheet No. 52 : Effective

### *Superseding: First Revised Sheet No. 52*



#### 3. RATES AND CHARGES

The applicable charges for Transportation services provided under this IT Rate Schedule are set forth in the currently effective Sheet No. 20 of this FERC Gas Tariff or in Exhibit D to the IT Service Agreement, in the case of Negotiated Rates. For all Transportation service rendered under this Rate Schedule, Shipper shall pay Transporter each Month the sum of the usage charge, ACA charge and any other charges, authorized under the provisions of this FERC Gas Tariff, as follows:

- a. Usage Charge - An amount determined as the product of:
  - i. The total quantity of Gas in Dts received by Transporter for the account of Shipper during the previous Month; and
  - ii. The usage rate per Dt set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.

- b. ACA Charge - An amount determined as the product of:
  - i. The total quantity of Gas in Dts received by Transporter for the account of Shipper during the previous Month; and
  - ii. The ACA rate per Dt set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- c. Gathering Charge - If Shipper designates a Receipt Point(s) identified as a Gathering Receipt Point on Exhibit A to the IT Service Agreement, then, in addition to the charges above, Shipper shall pay an amount determine as the product of:
  - i. The total quantity of Gas in Dts received by Transporter for the account of Shipper during the previous month; and
  - ii. The Gathering Charge set forth on the currently effective Tariff Sheet No. 20 of this FERC Gas Tariff, Original Volume No. 1, or superseding tariff.
- d. Any charges authorized from time to time under the provisions of this FERC Gas Tariff.

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## **Fifth Revised Sheet No. 53 : Effective**

### ***Superseding: Fourth Revised Sheet No. 53***

Transporter may from time to time and at any time charge any Shipper for service under this Rate Schedule, a usage charge predicated upon a usage rate that is less than the effective maximum usage rate set forth from time to time on the currently effective Sheet No. 20 of this FERC Gas Tariff; provided, that the usage rate may not be less than the effective minimum usage rate.

Transporter will file any and all reports as required by the Commission's regulations setting forth the applicable discounted usage rates and Shippers affected, along with any other required information.

#### **4. FUEL, LOST AND UNACCOUNTED FOR GAS**

In addition to the charges stated herein, each Shipper under this Rate Schedule will be assessed its proportionate share of Fuel, Lost and

Unaccounted for Gas resulting from System operations. Each Shipper's deliveries from the System will be reduced by zero per cent (0.0%) from its total receipts into the System until July 1, 2005. Transporter will calculate the actual amount of Fuel, Lost and Unaccounted for Gas experienced during each calendar Year and file any revisions to the reduction percentage to more closely approximate the actual amount of Fuel, Lost and Unaccounted for Gas experienced by the System and to reflect any differences between projections and actual losses for the previous calendar Year. The revised percentage of reduction will be filed to become effective on July 1 of each Year.

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## Original Sheet No. 54 : Effective

### 5. APPLICABILITY OF GENERAL TERMS AND CONDITIONS

Unless otherwise expressly indicated in this Rate Schedule or in an Effective IT Service Agreement, all of the General Terms and Conditions contained in this FERC Gas Tariff, including any future modifications, additions or deletions, from and after their effective dates, are applicable to Interruptible Transportation service rendered under this Rate Schedule and, by this reference, are incorporated and hereby made a part of this Rate Schedule.

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## Original Sheet No. 55 : Effective

Sheet Nos. 55 through 99 are reserved for future use.

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## First Revised Sheet No. 100

### *Superseding: Original Sheet No. 100*

#### GENERAL TERMS AND CONDITIONS

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## Fourth Revised Sheet No. 101 : Effective

*Superseding: Third Revised Sheet No. 101*

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## Original Sheet No. 102 : Effective

Sheet No. 102 is reserved for future use.

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## Original Sheet No. 103 : Effective

### GENERAL TERMS AND CONDITIONS

#### 1. DEFINITIONS

- 1.1 ALTERNATE DELIVERY POINT(S) - All Delivery Points on Transporter's System that are not designated as Primary Delivery Points in an Effective Firm Service Agreement where quantities of Gas may be delivered by Transporter for the account of Shipper, under an Effective Firm Service Agreement, as nominated by Shipper.
- 1.2 ALTERNATE RECEIPT POINT(S) - All Receipt Points on Transporter's System that are not designated as Primary Receipt Points in an Effective FT-1 Firm Service Agreement where quantities of Gas may be received by Transporter for the account of Shipper, under an Effective FT-1 Firm Service Agreement, as nominated by Shipper.
- 1.3 AVAILABLE CAPACITY - The capacity in Transporter's System that is not subscribed or scheduled for service under the terms of Transporter's Rate Schedules.
- 1.4 BTU - A British Thermal Unit; equal to the quantity of heat required to raise the temperature of one (1) pound avoirdupois of pure water from fifty-eight and five-

tenths degrees Fahrenheit (58.5°F) to fifty-nine and five-tenths degrees Fahrenheit (59.5°F) at a constant pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 PSIA). The standard Btu is the International Btu, which is also called the Btu(IT). MMBtu shall mean one million (1,000,000) Btus.

- 1.5 BUSINESS DAY - Monday through Friday, excluding Federal Banking Holidays.
- 1.6 CENTRAL CLOCK TIME - Time in U.S. Central Time Zone, as adjusted for Daylight Savings Time and Standard Time. As used herein, Central Time means Central Clock Time.

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[Sheet Index Table](#)    [RP98-266-000](#)

## First Revised Sheet No. 104 : Effective

### *Superseding: t No. 104*

- 1.7 COMMISSION - The Federal Energy Regulatory Commission or any federal commission, agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers that are exercisable by the Federal Energy Regulatory Commission.
- 1.8 COMMITTED PRODUCTION - Shipper's working interest share of all Gas production that is now or hereafter owned by Shipper, its successors and permitted assigns in the Gas production from the blocks, lands, and leases described in a Shipper's Effective FT-2 Service Agreement.
- 1.9 CONDENSATE - Those hydrocarbon liquids at Receipt Point pressure and temperature produced in association with Natural Gas and transported through the System; provided, however, that such term does not include crude oil.
- 1.10 CONTRACT YEAR - A Year that commences on the first Day of the term of an Effective Service Agreement and ends on the same calendar date of the next succeeding Year, unless otherwise provided in an Effective Service Agreement.
- 1.11 DAY - A period of consecutive hours beginning and ending at 9:00 a.m. Central Clock Time. The date of a day is that of its beginning.

- 1.12 DEKATHERM (Dt) - The standard unit for purposes of nominations, scheduling, invoicing and balancing. One Dekatherm is equivalent to one MMBtu.
- 1.13 DELIVERY POINT(S) - Any point(s) on Transporter's System where quantities of Gas may be delivered by Transporter for the account of Shipper under an Effective Service Agreement.

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## Fourth Revised Sheet No. 105 : Effective

### *Superseding: Third Revised Sheet No. 105*

- 1.14 EFFECTIVE AGREEMENT - An agreement that has been signed by Shipper or Operator and Transporter and has not terminated under the provisions of the agreement or through the exercise of any rights under this FERC Gas Tariff.
- 1.15 EQUIVALENT QUANTITIES - An amount equal to the sum of the quantities of Gas, expressed in Dts, received by Transporter from Shipper at the Receipt Points during a given Month, reduced by Fuel, Lost and Unaccounted for Gas.
- 1.16 FIRM SERVICE - A service that is not subject to interruption except as otherwise provided in the applicable Rate Schedule, the applicable Transportation Service Agreement, or the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.17 FUEL, LOST AND UNACCOUNTED FOR GAS - The difference between the sum of all volumes received into the System during an accounting period and the sum of all volumes delivered from the System during the same period (including but not limited to Gas used for fuel by or for the benefit of Transporter, such as for compressor operation, Gas vented, leakage or other actual losses; discrepancies due to meter inaccuracies, variations of temperature, pressure, composition, and other variants; and reductions as a result of retrograde condensation).
- 1.18 GAS OR NATURAL GAS - Hydrocarbon natural gas in a gaseous state, including oil well gas produced with crude oil, gas from gas wells, and residue gas from processing either oil well gas or gas well gas, or both.
- 1.19 GATHERING - The receipt and transportation by Transporter of Gas through any of the following of Transporter's facilities: (i) the 20-inch

lateral extending from the main trunk eastward to Grand Isle South Addition Block 115; (ii) the 18-inch lateral extending from the main trunk westward to South Timbalier Block 200; (iii) the 12-inch lateral extending from the main trunk westward to South Timbalier 37; and (iv) the 12-inch lateral extending from the main trunk westward to South Timbalier 308.

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[Sheet Index Table](#)    [RP05-180-000](#)

## Fourth Revised Sheet No. 106 : Effective

### *Superseding: Third Revised Sheet No. 106*

- 1.20 GROSS HEATING VALUE - The number of Btus produced by the complete combustion in air, at a constant pressure, of the amount of Gas that would occupy a volume of one (1) cubic foot at a temperature of sixty degrees Fahrenheit (60F), if saturated with water vapor and under pressure equivalent to that of thirty (30) inches of mercury at thirty-two degrees Fahrenheit (32F), and under standard gravitational force with air of the same temperature and pressure as the Gas when the products of combustion are cooled to the initial temperature of the Gas and air and when the water formed by combustion is condensed to the liquid state. The gross heating value of the Gas thus obtained will be expressed on the measurement basis set forth in this FERC Gas Tariff (14.73 PSIA) and will be adjusted from a saturated basis to the actual water content of the Gas actually delivered, provided, however, that if the Gas as delivered contains seven (7) pounds of water or less per million (1,000,000) cubic feet, such Gas will be deemed to be dry.
- 1.21 INTEREST RATE - The interest rate determined by the Commission in accordance with Section 154.501(d)(1) of the Commission's regulations.
- 1.22 INTERRUPTIBLE SERVICE - A service that is subject to interruption when and to the extent Transporter determines that capacity is not available in its existing System, and as provided in the IT Rate Schedule, the IT Service Agreement, or the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 1.23 INTRADAY NOMINATION - An intraday nomination is a nomination submitted after the nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of that Gas Day. An Intraday Nomination will span one Day only.
- 1.24 MAXIMUM DAILY QUANTITY (MDQ) - The maximum daily quantity of Gas Transporter will receive or deliver at each Receipt or Delivery Point in accordance with the terms of an Effective Service Agreement.

- 1.25 MAXIMUM DAILY RESERVATION QUANTITY (MDRQ) - The maximum quantity of Gas Transporter is obligated to receive for the account of Shipper, as stated in an Effective FT-1 Firm Service Agreement between Shipper and Transporter.
- 1.26 MAXIMUM DAILY TRANSPORTATION QUANTITY (MDTQ) - The maximum quantity of Gas Transporter is obligated to receive for the account of Shipper, as stated in an Effective IT Service Agreement between Shipper and Transporter.

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## Fourth Revised Sheet No. 107 : Effective

*Superseding: Third Revised Sheet No. 107*

- 1.27 MAXIMUM DAILY VOLUMETRIC QUANTITY (MDVQ) - The maximum quantity of Gas Transporter is obligated to receive for the account of Shipper, as determined in accordance with Subsection 2.a. of Transporter's FT-2 Rate Schedule.
- 1.28 MCF - 1,000 standard cubic feet of Natural Gas.
- 1.29 MMCF - 1,000,000 standard cubic feet of Natural Gas.
- 1.30 MONTH - The period beginning on the first Day of a calendar Month and ending on the first Day of the succeeding calendar Month.
- 1.31 NAESB - North American Energy Standards Board
- 1.32 NAESB Standards - Any and all such standards issued by NAESB and adopted by the Commission.

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[Sheet Index Table](#)    [RP02-456-000](#)

## Fourth Revised Sheet No. 108 : Effective

*Superseding: Third Revised Sheet No. 108*

- 1.33 Negotiated Rate - Any rate, rate formula, or rate design negotiated by Transporter and a Shipper that may be less than, equal to, or more than the maximum, Commission-approved tariff rate for such service, but not less than the minimum rate, and for which there is a recourse rate on file The negotiated rate, rate, design, or rate formula will be stated in an exhibit to Shipper's service agreement.
- 1.34 OPERATIONAL BALANCING AGREEMENT (OBA) - A contract between two parties which specifies the procedures to manage operating variances at an interconnect.
- 1.35 OPERATOR - Any individual, firm, or corporation, or its agent, assignee, or legal representative, who operates Gas production, processing or upstream or downstream pipeline facilities that are directly connected to Transporter's System, and who is responsible for the confirmation, scheduling, receipt or delivery, and the allocation of Gas through such interconnecting facility.
- 1.36 PREDETERMINED ALLOCATION - The distribution of quantities of Gas measured at Receipt Point(s) and/or Delivery Point(s) among Shipper(s) based on a methodology agreed to by the Operator(s) and Transporter prior to the commencement of Gas flow.

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[Sheet Index Table](#)    [CP96-711-003](#)

## Third Revised Sheet No. 109 : Effective

### *Superseding: Second Revised Sheet No. 109*

- 1.37 PREPAYMENT - With respect to requests for capacity or service, "Prepayment" means that amount of money that must be submitted by a Shipper along with a request for Transportation service or capacity. Such amount will be credited to Shipper's invoice for services provided by Transporter, or forfeited by Shipper if it fails to enter into a Service Agreement with Transporter in accordance with the terms of Transporter's FERC Gas Tariff. With respect to creditworthiness, "Prepayment" means the advance payment for Transportation services rendered by Transporter.
- 1.38 PRIMARY DELIVERY POINT(S) - The Delivery Points on Transporter's System where quantities of Gas may be delivered by Transporter for the account of Shipper, as described in an Effective Firm Service Agreement between Shipper and Transporter.
- 1.39 PRIMARY PATH - Shipper's reserved right to capacity between a Primary

Receipt Point and a Primary Delivery Point as such points are defined in an Effective Firm Transportation Agreement up to the lesser of the MDQ at the Primary Receipt Point or the MDQ at the Primary Delivery Point.

- 1.40 PRIMARY RECEIPT POINT(S) - The Receipt Points on Transporter's System where quantities of Gas may be received by Transporter for the account of Shipper, as described in an Effective Firm Service Agreement between Shipper and Transporter.
- 1.41 PRO RATA SHARE - The ratio of a Firm Shipper's entitlements under an Effective Firm Service Agreement to the entitlements of all Firm Shippers; and the ratio of an Interruptible Shipper's nominations to all Interruptible nominations with the same priority.

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[Sheet Index Table](#)    [CP96-711-003](#)

## Third Revised Sheet No. 110 : Effective




### *Superseding: Second Revised Sheet No. 110*

- 1.42 PSIA - Pounds per square inch absolute.
- 1.43 PSIG - Pounds per square inch gauge.
- 1.44 RATE SCHEDULE - The terms and conditions applicable to a specific service offered by Transporter.
- 1.45 RECEIPT POINT(S) - Any point(s) on Transporter's System where quantities of Gas may be received by Transporter for the account of Shipper under an Effective Service Agreement.
- 1.46 RELEASED CAPACITY - Capacity reserved under the terms of an Effective FT-1 Service Agreement that a Releasing Shipper or Secondary Releasing Shipper seeks to permanently or temporarily release to a Replacement Shipper.
- 1.47 RELEASING SHIPPER - A Shipper who releases all or part of its rights to capacity reserved under the terms of an Effective FT-1 Service Agreement on a permanent or temporary basis.
- 1.48 REPLACEMENT SHIPPER - A Shipper who acquires all or part of the rights to capacity held by a Releasing Shipper under the terms of an Effective FT-1 Service Agreement on a permanent or temporary basis.
- 1.49 SCHEDULED QUANTITY - The quantity of Natural Gas a Shipper nominates for receipt by Transporter at a Receipt Point and for redelivery by

Transporter for Shipper at a Delivery Point, and that the Operator of the connecting facility confirms, and that Transporter schedules for Transportation between the Receipt Point and the Delivery Point.

- 1.50 SECONDARY RELEASING SHIPPER - A Replacement Shipper who releases all or part of its right to capacity acquired from a Releasing Shipper.

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[Sheet Index Table](#)    [CP96-711-003](#)

## Third Revised Sheet No. 111 : Effective

### *Superseding: Second Revised Sheet No. 111*

- 1.51 SERVICE AGREEMENT - The document that sets forth the agreement of Transporter and a Shipper with respect to a particular service, substantially in the form included in Transporter's FERC Gas Tariff.
- 1.52 SHIPPER - Any individual, firm, corporation, agent, assignee, or legal representative so designated to deliver Gas to Transporter for Transportation and to receive the Gas from Transporter after it has been transported under the terms of an Effective Service Agreement.
- 1.53 STANDARD CUBIC FOOT (SCF) - The quantity of Natural Gas necessary to fill a cubic foot of space at a temperature of 60 degrees Fahrenheit (60F) and at a pressure of 14.73 PSIA.
- 1.54 SYSTEM - The pipeline system and appurtenances thereto that are owned or operated in whole or in part by Transporter, including any facilities added thereto, for the Transportation of Gas.
- 1.55 SYSTEM CAPACITY - The quantitative ability of Transporter's existing System to provide immediate maximum Gas Transportation service. The ability of Transporter's System to provide maximum Gas Transportation service may be limited by changes in prevailing operating pressures, temperatures, Gas flow rates and Gas flow directions within any portion(s) of Transporter's System, including any Receipt Point(s) or Delivery Point(s); physical capacity limitations of regulators, valves, pipelines or pipeline segments, measuring facilities or appurtenances to Transporter's System; and necessary testing, maintenance, repair, overhaul, alteration, modification, replacement, enlargement, or construction of pipelines, metering, regulating, and other transmission facilities and equipment appurtenant to Transporter's System.
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## Third Revised Sheet No. 112 : Effective

### *Superseding: Second Revised Sheet No. 112*

- 1.56 TRANSPORTATION - Forward haul, exchange, backhaul, displacement, or other methods of transportation.
- 1.57 TRANSPORTER - Discovery Gas Transmission LLC.
- 1.58 YEAR - A period of three hundred sixty-five (365) consecutive Days; provided, however, that any such year containing the date of February 29 will consist of three hundred sixty-six (366) consecutive Days.

## First Revised Sheet No. 113 : Effective

### *Superseding: t No. 113*

- 2. OPERATING PROVISIONS FOR FIRM SERVICE
  - 2.1 AVAILABILITY OF FIRM SERVICE - Firm service under this FERC Gas Tariff will be provided when, and to the extent that, Transporter determines capacity is available in its existing System that is not subject to a superior claim by another Shipper and it is operationally feasible. If operating conditions ever limit Transporter's ability to provide Firm service, service will be provided on the basis described in Section 6 of the General Terms and Conditions.
  - 2.2 EXISTING, UNCOMMITTED CAPACITY - Existing, uncommitted Firm capacity will be posted on Transporter's Internet web site (web site). Requests for posted capacity must be made by providing Transporter the specific information in, and in the form prescribed by, Section 4 of the General Terms and Conditions. Each request must be accompanied by a Prepayment of Ten Thousand Dollars (\$10,000), and will be considered incomplete unless the

Prepayment is included. Transporter will evaluate all complete requests in the order received and will notify Shipper in writing of the acceptance of a complete request. Transporter shall not be required to accept a request for Firm service at a rate that is less than its currently effective maximum rate. Request for Service forms will be supplied to any potential Shipper upon request, and are available at Transporter's offices during normal business hours, or electronically on the web site by following the procedures of Section 17 of the General Terms and Conditions.

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[Sheet Index Table](#)    [RP03-219-000](#)

## Second Revised Sheet No. 114 : Effective


### *Superseding: First Revised Sheet No. 114*

2.3 NEW CAPACITY - In the event new capacity becomes available due to the construction or acquisition of facilities or the expansion of existing facilities, pursuant to authorization under Section 7 of the Natural Gas Act and the Commission's regulations, Transporter shall hold an open season with a minimum duration of ten (10) calendar Days during which potential Shippers may submit requests for Firm service in accordance with the provisions of the open season notice. Each request for Firm service must be made by submitting a completed Request for Service form and a Prepayment in the amount of Ten Thousand Dollars (\$10,000). Request for Service forms will be supplied to any potential Shipper upon request, and are available at Transporter's offices during normal business hours, or electronically on the Internet web site (web site) by following the procedures of Section 17 of the General Terms and Conditions.

If at the end of the open season there is insufficient capacity to fill all valid requests, then each valid request will be assigned a value determined by multiplying the rate, not to exceed the maximum rate, the term, and the quantity requested. Requests for a term of more than one (1) Month that vary in rate or term will be assigned a total present value based on the Commission's current Interest Rate. If requests for service providing the same value exceed the Available Capacity, then the Available Capacity will be prorated among those requests. Shippers that stipulated in their requests that they would not accept less than the amount requested will not be included in the pro rata allocation. Transporter shall not be required to consider requests for service or award capacity if the rate stipulated in a request for service is less

than Transporter's maximum rate.

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[Sheet Index Table](#)  [CP96-712-002](#)

## Original Sheet No. 115 : Effective

- 2.4 PRIORITY OF SERVICE - The Firm Transportation of Gas at Receipt and Delivery Points will have the following priority for service under an Effective Firm Service Agreement:
- a. Receipt Point Priority - The receipt of Gas from Primary and Alternate Receipt Points will be on a Firm basis except as provided in Sections 6 and 21 of the General Terms and Conditions. The receipt of Gas from Alternate Receipt Points will be subordinate to the receipt of Gas from Primary Receipt Points and superior to the receipt of Gas for Interruptible Transportation service.
  - b. Delivery Point Priority - The delivery of Gas to Primary and Alternate Delivery Points will be on a Firm basis except as provided in Sections 6 and 21 of the General Terms and Conditions. The delivery of Gas to Alternate Delivery Points will be subordinate to the delivery of Gas to Primary Delivery Points and superior to the delivery of Gas for Interruptible Transportation service.
- 2.5 RECEIPT AND DELIVERY POINT DESIGNATIONS - Each Receipt Point and each Delivery Point specified in an Effective Firm Service Agreement will be designated Primary Receipt Points and Primary Delivery Points for Firm Transportation service. Each Shipper's MDRQ and MDVQ must be allocated among the Primary Receipt Points and Primary Delivery Points such that the MDRQ or the MDVQ equals both the sum of the MDQs for Primary Receipt Points and the sum of the MDQs for Primary Delivery Points. A Shipper may amend its FT-1 Service Agreement to add, delete, or modify Primary Receipt or Delivery Point MDQs, or its FT-2 Service Agreement to add, delete, or modify Primary Delivery Point MDQs, provided Firm capacity is available. In such event, the MDQs must be reallocated as necessary so that the sum of the MDQs for Primary Receipt Points and the sum of the MDQs for Primary Delivery Points in the amended Firm Service Agreement do not exceed the MDRQ or the MDVQ.

Transporter reserves the right to limit the number of such amendments per Service Agreement to five (5) per Month in order to avoid administrative burdens.

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[Sheet Index Table](#)    [CP96-712-002](#)

## Original Sheet No. 116 : Effective

2.6 MODIFICATION OF PRIMARY RECEIPT POINTS - A Shipper with an Effective FT-1 Service Agreement may change its Primary Receipt Point on a temporary basis by designating any downstream Receipt Point within its Primary Path as its Primary Receipt Point for up to ninety (90) Days without losing its right to return to its permanent Primary Receipt Point. Use of such point is subject to availability and all other terms of Shipper's Effective FT-1 Service Agreement, the FT-1 Rate Schedule, and Transporter's General Terms and Conditions. The availability of capacity at Shipper's permanent Primary Receipt Point will be subject to such right. Any other Shipper that wishes to use that point will be informed that another Shipper has the right to return to the Receipt Point.

2.7 ALTERNATE POINTS - All System points where capacity exists in excess of capacity allocated to provide Primary Receipt Point or Primary Delivery Point Firm Transportation service will be available to FT-1 Shippers as Alternate Receipt or Delivery Points. All System points where capacity exists in excess of capacity allocated to provide Primary Delivery Point Firm Transportation service will be available to FT-2 Shippers as Alternate Delivery Points.

Any discounted reservation rate for Firm Transportation service between Primary Receipt and Delivery Points will not automatically transfer to service using Alternate Receipt or Delivery Points, unless Transporter directs Shipper to use an Alternate point for operational reasons pursuant to Subsection 7.2 of the General Terms and Conditions.




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## Original Sheet No. 117 : Effective

- 2.8 REQUEST INVALIDATION - Requests for service submitted by potential Shippers after the initial in-service date of Transporter's System will be deemed invalid if service is requested to commence more than ninety (90) Days after a request for service is submitted, unless new or additional facilities are required to provide the service. If new or additional facilities are required to provide the service, requests for service using said facilities may not specify a service commencement date more than thirty (30) Days after the in-service date of the new facilities.
- 2.9 REQUESTS FOR OPERATING DATA - Upon request by Transporter, Shipper shall submit estimates of daily, monthly and annual quantities of Gas to be transported, including peak day requirements, together with the estimated amounts thereof applicable to each Primary Receipt Point and Primary Delivery Point. Transporter will use such information and operating data to determine its System's Available Capacity, to evaluate potential System Capacity needs, to plan its maintenance and repair operations, and to assure adequate service to its Shippers.
- 2.10 ADDITIONAL FACILITIES - Transporter shall not be required to construct additional facilities, modify or expand facilities, or acquire facilities to provide Firm Transportation service.

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[Sheet Index Table](#)    [RP98-266-000](#)

## First Revised Sheet No. 118 : Effective

***Superseding: t No. 118***

### 3. OPERATING PROVISIONS FOR INTERRUPTIBLE SERVICE

- 3.1 AVAILABILITY OF INTERRUPTIBLE SERVICE - Interruptible service under this FERC Gas Tariff will be provided when, and to the extent that, Transporter determines capacity is available in its existing System that is not subject to a superior claim by another Shipper or another class

of service. Available Interruptible capacity will be allocated by Transporter in accordance with Subsection 3.2.

- 3.2 PRIORITY OF SERVICE - Interruptible Transportation services will be subordinate to Firm Transportation services provided by Transporter. Transporter will allocate available Interruptible capacity on a daily basis to Shippers nominating service under the IT Rate Schedule on the basis of rate. Capacity at each rate level will be allocated on a pro rata basis.
- 3.3 SHIPPER REQUESTS FOR INTERRUPTIBLE SERVICE - Requests for Interruptible service hereunder must be made by providing the specific information in, and in the form prescribed by, Section 4 of the General Terms and Conditions. Request for Service forms will be supplied to any potential Shipper upon request, and are available at Transporter's offices during normal business hours or electronically on Transporter's Internet web site (web site) by following the procedures in Section 17 of the General Terms and Conditions.
- 3.4 REQUESTS FOR OPERATING DATA - Upon request of Transporter, Shipper shall submit estimates of daily, monthly and annual quantities of Gas to be transported, including peak day requirements, together with the estimated amounts thereof applicable to each Receipt Point and Delivery Point. Transporter will use such information and operating data to determine its System's Available Capacity, to evaluate potential System Capacity needs, to plan its maintenance and repair operations, and to assure adequate service to its Shippers.

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[Sheet Index Table](#)    [CP96-712-002](#)

## Original Sheet No. 119 : Effective

- 3.5 RECEIPT AND DELIVERY POINTS - Each Receipt Point and each Delivery Point on Transporter's System is available for Interruptible Transportation service, subject to the prior allocation of capacity at such points to Firm Transportation services, up to the MDTQ set forth in a Shipper's Effective IT Service Agreement with Transporter.
- 3.6 INTERRUPTION OF SERVICE - Transporter retains all rights

at any and all times during the term of an Effective IT Service Agreement to decrease or temporarily suspend receipt and/or delivery of Gas if the capacity is required for a higher priority service or Shipper. If Transporter exercises such right, Shipper shall hold Transporter harmless from any loss, claim, damage or expense that such Shipper or other party may incur by reason of such decrease or suspension.

- 3.7 FAILURE TO USE SERVICE - If Shipper fails to nominate service within twelve (12) Months after the execution of an IT Service Agreement or during any consecutive twelve (12) Month period, Transporter may terminate the IT Service Agreement on thirty (30) Days prior written notice.
- 3.8 ADDITIONAL FACILITIES - Transporter shall not be required to construct, modify, expand, or acquire facilities to provide Interruptible Transportation service.
- 3.9 LIMITATION - Transporter reserves the right to limit each Shipper to one (1) IT Service Agreement.

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[Sheet Index Table](#)    [CP96-712-002](#)

## Original Sheet No. 120 : Effective

### 4. REQUESTS FOR SERVICE

- 4.1 REQUEST FOR SERVICE FORM - Each Shipper requesting Firm or Interruptible Transportation service hereunder shall provide the information specified in the Request for Service form, the form of which is included in this FERC Gas Tariff in the "Forms" section. Each request must be accompanied by a Prepayment of Ten Thousand Dollars (\$10,000).
- 4.2 INCOMPLETE SERVICE FORMS - Request for Service forms received by Transporter that do not include the Prepayment required by Subsection 4.1., or do not contain all the requested information, including credit information sufficient to demonstrate that a Shipper will be able to meet its financial obligations under the requested Service Agreement, will be considered incomplete. Transporter will notify Shipper of any deficiencies and Shipper's request for service will not be considered until all of the required information is

provided to Transporter. The request for service will be deemed invalid if Shipper fails to provide the required information within ten (10) Business Days after notification by Transporter that the request is incomplete.

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[Sheet Index Table](#)    [RP02-456-000](#)

## First Revised Sheet No. 121 : Effective

### *Superseding: Original Sheet No. 121*

#### 5. NOMINATION PROCEDURES

5.1 REQUIRED INFORMATION - For each Day on which Shipper desires Transportation service under any Service Agreement, Shipper shall submit to Transporter the daily quantity of Gas, expressed in Dts, that it has available for Transportation at each Receipt Point and the quantity of Gas Shipper desires to have delivered at each Delivery Point. Shipper's Receipt Point nominations, minus Lost and Unaccounted for Gas, must equal its Delivery Point nominations on each Day. Shipper may submit either a written or an electronic nomination in the format set forth in the NAESB Standards. Once submitted, nominations, except for Intraday Nominations, will remain in effect for the specified period of time unless a prospective written or electronic nomination change is received from Shipper. Each Shipper nomination must include the information required by the NAESB Standards.

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 have a prospective effect only.

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[Sheet Index Table](#)    [RP02-456-003](#)

## Second Revised Sheet No. 122 : Effective

## ***Superseding: First Revised Sheet No. 122***

### 5.2 NOMINATION DEADLINES -

- a. The Timely Nomination Cycle - The standard nominations timeline is as follows: 11:30 a.m. for nominations leaving control of the nominating party; 11:45 a.m. for receipt of nominations by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs)); noon to send Quick Response; 3:30 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 4:30 p.m. for receipt of scheduled quantities by Shipper and point Operator (Central Clock Time on the Day prior to flow).
- b. Intraday Nominations - A Shipper may submit and Transporter will accept Intraday nominations, provided: (i) such nominations are within Shipper's total MDRQ, MDVQ or MDTQ and (ii) such nominations can be confirmed. Intraday Nominations may be used to start service, to request increases or decreases in nominated quantities, to nominate new supply or market, or to reflect changes in the specified Receipt and Delivery Points.

Intraday Nominations will be effective only for a single Gas Day, and, therefore, will not remain in effect for prospective Days. To the extent a Shipper submits an Intraday Nomination (including nominations received after the standard nomination deadline) which specifies an effective term of longer than one Gas Day, Transporter will make the nomination effective only for the first Gas Day of the specified effective period.

Intraday Nominations may be submitted to Transporter at any time, and will be scheduled in accordance with Section 6.3 of this FERC Gas Tariff. Except as provided in iii. below, Intraday Nominations for firm transportation services will be given priority over scheduled and flowing interruptible transportation services.

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**Second Revised Sheet No. 123 : Effective**

***Superseding: First Revised Sheet No. 123***

Intraday Nominations will be scheduled in one of three "Cycles" and will be processed according to the following timelines:

- i. The Evening Nomination Cycle: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by Transporter (including from TTTSPs); 6:30 p.m. to send Quick Response; 9:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 10:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point Operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (Central Clock Time on the Day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another Shipper to receive notice that it is being bumped should be effective at 9:00 a.m. on the Gas Day; and when an Evening Nomination causes another Shipper to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on the Gas Day.

- ii. The Intraday 1 Nomination Cycle: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by Transporter (including from TTTSPs); 10:30 a.m. to send Quick Response; 1:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 2:00 p.m. for Transporter to provide scheduled quantities to affected Shippers and point Operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (Central Clock Time on Gas Day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 p.m. on the Gas Day.

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[Sheet Index Table](#)    [RP05-277-000](#)

**Third Revised Sheet No. 124 : Effective**

***Superseding: Second Revised Sheet No. 124***

- iii. The Intraday 2 Nomination Cycle: 5:00 p.m. for nominations leaving control of the nominating party; 5:15 p.m. for receipt of nominations by Transporter (including from TTTSPs); 5:30 p.m. to send Quick Response; 8:00 p.m. for receipt of completed confirmations by Transporter from upstream and downstream connected parties; 9:00 p.m. for Transporter to provide scheduled

quantities to affected Shippers and point Operators (Central Clock Time on the Gas Day).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 9:00 p.m. on the Gas Day. Bumping is not allowed during the Intraday 2 Nomination Cycle.

- c. Quick Response - Transporter will send a Quick Response, as defined by NAESB, to Shipper for each nomination received. Such Quick Response will serve only as notification of the receipt and validation of nomination information in accordance with NAESB Standards, but will not indicate whether the nomination will be confirmed or scheduled pursuant to Subsections 6.2 and 6.3 of this FERC Gas Tariff.

For standard nominations, the Quick Response will be sent to the nominating party by 12:00 p.m. Central Clock Time on the Day the nomination is received. For Intraday Nominations, the Quick Response will be sent according to the following schedule: Batch 1 Nomination Cycle - 6:30 p.m. Central Clock Time on the Day prior to flow; Batch 2 Nomination Cycle - 10:30 a.m. Central Clock Time on the Gas Day; Batch 3 Nomination Cycle - 5:30 p.m. Central Clock Time on the Gas Day.

- d. Notification to Bumped Shippers - Transporter will notify individual Shippers of bumped quantities by telephone or facsimile in accordance with the timelines for Batch 1 and Batch 2 Nomination Cycles.
- e. Waiver of Penalties - To the extent that a Shipper is bumped as a result of an Intraday nomination by a Shipper with a higher priority of service, Transporter will waive any applicable penalties incurred by Shipper solely as a result of the Intraday bump, and only for the Day on which Shipper is bumped.

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[Sheet Index Table](#)  [RP99- 45-000](#)

**First Revised Sheet No. 125 : Effective**

***Superseding: Original Sheet No. 125***

5.3 REQUIRED NOMINATION CHANGES - Transporter may require revised nominations or prospective nomination changes by Shipper if the daily flows under a particular Service Agreement differ from confirmed nominations, or if an

imbalance has occurred due to operational reasons. When a Shipper receives notice requiring a revised nomination or prospective nomination change, Shipper shall submit a nomination in accordance with Subsection 5.1 and with the revisions specified by Transporter. Shipper shall be responsible for informing its upstream and downstream parties of the changes.

- 5.4 DELEGATION OF NOMINATION AUTHORITY TO AGENT - A Shipper may delegate to any third party the responsibility for submitting nominations and receiving confirmations or performing other administrative duties under any Effective Agreement, subject to the following conditions:
- a. Any designation of a third party as agent, or any change in such designation, must be provided in writing to Transporter at least two (2) Business Days prior to the requested effective date of the designation.
  - b. The written designation must specify any limits on the authority of the Agent, including any time limit for the designation. Transporter may reject any Shipper's request to delegate responsibilities if the limitations on the designation would impose undue administrative burdens on Transporter.
  - c. Transporter will rely on communications from a Shipper's agent for all nomination purposes except to the extent the designation is expressly limited. Communications by Transporter to such Agent will be deemed notice to Shipper.

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[Sheet Index Table](#)    [RP99- 45-000](#)

**First Revised Sheet No. 126 : Effective**

***Superseding: Original Sheet No. 126***

- d. Any third party may administer multiple Service Agreements as the agent for one or more Shippers, but the agent must make nominations and otherwise administer and account separately for each Service Agreement.

5.5 SHIPPER PRIORITIZATION OF NOMINATED QUANTITIES - If Shipper elects to nominate quantities of Gas to be

received by Transporter from one or more upstream parties at one or more Receipt Points for delivery by Transporter to one or more downstream parties at one or more Delivery Points for the account of Shipper, Shipper shall provide the priority, method, and extent to which each nominated receipt quantity from a particular upstream party at a particular Receipt Point should be reduced in the event that any downstream Operator verifies and confirms deliveries that are less than the Shipper's nominated deliveries, or in the event that, due to Transporter's allocation of Available Capacity for Transportation services, all nominated receipts cannot be scheduled. Likewise, if Shipper elects to nominate quantities of Gas to be delivered by Transporter to one or more downstream parties at one or more Delivery Points for the account of Shipper, Shipper shall provide the priority, method, and extent to which each nominated delivery quantity to a particular downstream party at a particular Delivery Point should be reduced in the event that any upstream Operator verifies and confirms receipts that are less than the Shipper's nominated receipts, or in the event that, due to Transporter's allocation of Available Capacity for Transportation services, all nominated deliveries cannot be scheduled.

Shipper prioritization of nominated quantities must be consistent with the terms of this FERC Gas Tariff and such prioritization will be honored to the extent that Transporter reasonably determines such prioritization is operationally feasible and the conditions of Subsection 8.4 have been met.

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[Sheet Index Table](#)    [RP99-158-001](#)

## Second Revised Sheet No. 127 : Effective

### *Superseding: First Revised Sheet No. 127*

#### 6. SCHEDULING AND CURTAILMENT

6.1 ALLOCATION OF AVAILABLE CAPACITY - Each Day, upon consideration of prevailing operating conditions, scheduled or unscheduled maintenance or repairs, and similar conditions, Transporter will allocate Available Capacity in sequence on the basis of Receipt Point

priorities, followed by mainline segment capacity priorities, and finally by Delivery Point priorities, in the following manner:

- a. Receipt Point capacity will be allocated to Firm Shippers who have designated the nominated Receipt Point as a Primary Receipt Point in an Effective FT-1 or FT-2 Service Agreement, followed by allocation to Shippers who have nominated the Receipt Point as an Alternate Receipt Point under an Effective FT-1 Service Agreement. Any remaining Receipt Point capacity will be allocated to Interruptible Shippers on the basis of rate, with the Shipper paying the highest rate, up to the maximum rate, scheduled first. Shippers having the same level of priority as stated herein will be scheduled on a pro rata basis. In the case of a Negotiated Rate for Interruptible Service that exceeds the maximum, Commission-approved tariff rate, the Negotiated Rate will be deemed to equal the maximum rate for the purposes of this section. A Negotiated Rate that is less than the maximum rate will be considered in the same manner as recourse rates.

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[Sheet Index Table](#)    [RP99-158-001](#)

## Second Revised Sheet No. 128 : Effective

### *Superseding: First Revised Sheet No. 128*

- b. Mainline segment capacity will be allocated in the following sequence, from highest priority to lowest priority: Primary Firm Receipt Points to Primary Firm Delivery Points, Primary Firm Receipt Points to Alternate Firm Delivery Points, Alternate Firm Receipt Points to Primary Firm Delivery Points, Alternate Firm Receipt Points to Alternate Firm Delivery Points, and Interruptible Receipt Points to Interruptible Delivery Points.
- c. Delivery Point capacity will be allocated first to Firm Shippers who have designated the nominated Delivery Point as a Primary Delivery Point in an Effective FT-1 or FT-2 Service Agreement, followed by allocation to Shippers who have nominated the

Delivery Point as an Alternate Delivery Point.

Any remaining Delivery Point capacity will be allocated to Interruptible Shippers on the basis of rate, with the Interruptible Shipper paying the highest rate, up to the maximum rate, scheduled first. Shippers having the same level of priority as stated herein will be scheduled on a pro rata basis. In the case of a Negotiated Rate for Interruptible Service that exceeds the maximum, Commission-approved tariff rate, the Negotiated Rate will be deemed to equal the maximum rate for the purposes of this section. A Negotiated Rate that is less than the maximum rate will be considered in the same manner as recourse rates.

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[Sheet Index Table](#)    [RP99-158-000](#)

## Second Revised Sheet No. 129 : Effective

### *Superseding: First Revised Sheet No. 129*

6.2 CONFIRMATION OF NOMINATED QUANTITIES - Nominations made in accordance with Section 5 of the General Terms and Conditions will not be effective until Transporter has confirmed the nominated receipts with upstream Operators and the nominated deliveries with downstream Operators. Shipper must advise Transporter of the appropriate contact persons for upstream and downstream Operators who have the authority to verify and confirm nominated Gas quantities. Prior to scheduling nominated quantities for Transportation service requested by Shippers, Transporter will contact the appropriate Operators at the designated Receipt and Delivery Points in order to confirm the nominated quantities. Transporter may reject, in whole or in part, any nominated quantities where the daily quantities of Gas Shipper desires to be transported, the upstream shipper name(s) and contract number(s), or the downstream shipper name(s) and contract number(s) fail to conform to the information provided by the designated Operators at the Receipt and Delivery Points. If all information conforms except for the daily quantities of Gas Shipper desires to have Transporter receive or deliver, Transporter will schedule and confirm the nomination at the lower of the daily quantities nominated by Shipper and the daily quantities the Operators can confirm for scheduling at the designated Receipt and

Delivery Points. Transporter will provide notification of Shipper's confirmed Transportation quantities either by telephone, facsimile, or electronically. Shipper shall be responsible for informing its upstream and downstream parties of any differences between confirmed quantities and nominated quantities.

For Standard Nominations, Transporter will receive completed confirmation from upstream and downstream operators by 3:30 p.m. Central Clock Time on the Day prior to flow.

For Intraday Nominations, Transporter will receive completed confirmations from upstream and downstream operators according to the following schedule: Batch 1 Nomination Cycle - 9:00 p.m. Central Clock Time on the Day prior to flow; Batch 2 Nomination Cycle - 1:00 p.m. Central Clock Time on the Gas Day; Batch 3 Nomination Cycle - 8:00 p.m. Central Clock Time on the Gas Day.

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[Sheet Index Table](#)    [RP00-319-003](#)

## Second Revised Sheet No. 130 : Effective


### *Superseding: First Revised Sheet No. 130*

6.3 SCHEDULING NOMINATED QUANTITIES - Promptly upon the close of the nomination deadline for each nomination cycle, Transporter will evaluate all timely nominations and the Available Capacity of its System. Transporter will schedule nominated quantities of Gas to the extent capacity is available in accordance with Subsection 6.1 and to the extent nominations can be confirmed in accordance with Subsection 6.2. Transporter shall not be required to schedule quantities of Gas at any Receipt or Delivery Point where the cumulative daily nominated quantities at such Receipt or Delivery Point are below the quantities required to meet the measurement standards as prescribed in API Manual of Petroleum Measurement Standards, Chapter 14, Section 3, Latest Edition. Transporter will first schedule nominated quantities under Firm Service Agreements followed by nominated quantities under Interruptible Service Agreements, in the following manner:

- a. Firm Transportation service from Primary Receipt Points to Primary Delivery Points;
- b. Firm Transportation service from Primary Receipt Points to Alternate Delivery Points;

- c. Firm Transportation service from Alternate Receipt Points downstream of the Primary Receipt Points to Primary Delivery Points;
- d. Firm Transportation service from Alternate Receipt Points upstream of the Primary Receipt Points to Primary Delivery Points;
- e. Firm Transportation service from Alternate Receipt Points downstream of the Primary Receipt Points to Alternate Delivery Points;
- f. Firm Transportation service from Alternate Receipt Points upstream of the Primary Receipt Points to Alternate Delivery Points;
- g. IT Transportation service from Receipt Points to Delivery Points on the basis of rate paid.

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[Sheet Index Table](#)  [RP02-456-000](#)

## Third Revised Sheet No. 131 : Effective

### *Superseding: Second Revised Sheet No. 131*

Following scheduling of confirmed standard nominations, Transporter will furnish a report to the Shipper and point operator for receipt by 4:30 p.m. Central Clock Time the Day before the effective date of the requested service showing the scheduled receipt and delivery quantities by contract number, Receipt Point and Delivery Point. Following scheduling of confirmed Intraday Nominations, Transporter will furnish a report to the Shipper and point operator showing the scheduled receipt and delivery quantities by contract number and receipt/delivery point according to the following schedule: Batch 1 Nomination Cycle - 10:00 p.m. Central Clock Time on the Day prior to flow; Batch 2 Nomination Cycle - 2:00 p.m. Central Clock Time on the Gas Day; Batch 3 Nomination Cycle - 9:00 p.m. Central Clock Time on the Gas Day. At the end of each Gas Day, Transporter will provide the final scheduled quantities for the just completed Gas Day. For written nominations, such communication may be made by facsimile or other acceptable means of electronic correspondence. For electronic nominations, Transporter will send a report in accordance with the NAESB standards.

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## Original Sheet No. 132 : Effective

- 6.4 CHANGES IN DAILY SCHEDULED QUANTITIES - After Shipper has submitted a standard nomination and Transporter has confirmed and scheduled the quantities of Gas to be transported, such quantities will remain scheduled until the ending date specified in the nomination unless:
- a. A prospective nomination is received from Shipper requesting a change in previously confirmed and scheduled quantities; or
  - b. A prospective nomination is required by Transporter in accordance with Subsection 5.3 of the General Terms and Conditions; or
  - c. Transportation service is curtailed or interrupted in order to provide service for a higher priority service or Shipper; or
  - d. The designated contact persons with upstream and downstream Operators who have the authority to verify and confirm nominated Gas quantities or require a reduction of the confirmed and scheduled quantities; or
  - e. Receipts or deliveries at a particular Receipt Point or Delivery Point are outside the established tolerance levels specified in an Effective OBA; or
  - f. Adjustments of receipts or deliveries at a particular Receipt Point or Delivery Point are required as specified in an OFO; or
  - g. Capacity used in providing service is inadequate as a result of a force majeure event, overbooking of capacity, or an operational limiting event.
  - h. Other reasons required or permitted under this FERC Gas Tariff.

## Second Revised Sheet No. 133 : Effective

## ***Superseding: First Revised Sheet No. 133***

6.5 CURTAILMENT - If, at any time, Transporter determines, that because of operating or other conditions affecting its System, the capacity of all or part of its System is insufficient to serve all Transportation quantities confirmed and scheduled on a Day, Transportation services will be curtailed on all or part of the System where capacity is insufficient as follows:

- a. IT Transportation service to Delivery Points from Receipt Points on the basis of rate paid, with the lowest rate curtailed first.
- b. Firm Transportation service.

In the case of a Negotiated Rate for Interruptible Service that exceeds the maximum, Commission-approved tariff rate, the Negotiated Rate will be deemed to equal the maximum rate for the purposes of this section. A Negotiated Rate that is less than the maximum rate will be considered in the same manner as recourse rates.

Pro rata curtailments of Gas quantities will be based on the ratio of each Shipper's confirmed and scheduled Transportation quantities to the total confirmed and scheduled quantities by all Shippers at the same priority multiplied by the amount of Available Capacity.

If capacity is limited on only part of Transporter's System, including any Delivery and/or Receipt Point(s), Transporter's curtailment orders pursuant to Subsection 6.8 will be limited to the Transportation services confirmed and scheduled for such part(s) of Transporter's System.

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[Sheet Index Table](#)    [RP05-180-000](#)

## **Third Revised Sheet No. 134 : Effective**

## ***Superseding: Second Revised Sheet No. 134***




6.6 NOTICE OF CURTAILMENT - Transporter will post notices of curtailment on

its web site, and, if necessary, notify all affected shippers as soon as practicable, and in a manner that is reasonable under existing conditions, that a period of curtailment exists. Such notice will set forth any limits on receipts or deliveries and the anticipated duration of such curtailment period. Upon notice of curtailment, Shipper shall adjust its receipts and/or deliveries of Gas as specified by Transporter within the time period specified by Transporter. Shipper compliance will be a change in Gas flow to the level specified by Transporter and will be evidenced by the confirmation of a flow rate change by an upstream or downstream Operator or the confirmation of the flow rate change by Transporter.

6.7 CURTAILMENT PENALTIES - Failure of any Shipper to adjust its receipts and/or deliveries within the time and in the manner specified by Transporter will result in the imposition of curtailment penalties. All Gas received or delivered for the account of Shipper after notification of a curtailment under Subsection 6.6 that deviates from the quantities set by Transporter in the notice of curtailment will be assessed a penalty of Twenty-Five Dollars (\$25.00) per Dt. The imposition of a curtailment penalty will not relieve Shipper of its obligations to resolve any imbalance created during a period of curtailment. Although a notice of curtailment must result in an immediate change in Gas flow, Transporter will not assess penalties unless notice of curtailment is given at least twelve (12) hours before the curtailment is required. Net penalty revenues will be applied to Transporter's Fuel, Lost and Unaccounted for Gas account.

6.8 EMERGENCY PROCEDURES - Variations in the curtailment procedures set forth in Subsection 6.5 may be permitted by Transporter when necessary to respond to emergency situations (including environmental emergencies) where supplemental deliveries are required to forestall injury to life or property.

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[Sheet Index Table](#)    [RP00-319-003](#)

**Second Revised Sheet No. 135 : Effective**

***Superseding: First Revised Sheet No. 135***

7. OPERATIONAL FLOW ORDER (OFO)

7.1 APPLICABILITY - An Operational Flow Order (OFO) is an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity of Transporter's system or to

maintain operations required to provide efficient and reliable firm service. Whenever Transporter experiences these conditions, any pertinent order will be referred to as an Operational Flow Order. Transporter will determine, in its reasonable judgment, the circumstances that will result in the issuance of an OFO.

Circumstances that may prompt an OFO cannot be quantified in advance because the need to issue an OFO will depend on quantities of Gas confirmed and scheduled, the point(s) where actual receipts or deliveries deviate from confirmed and scheduled quantities, whether an OBA governs the allocation at the point(s), and the relationship of these individual factors to general System operations on any given Day. Generally, an OFO may be issued if there is a significant decrease or increase in line pressure or if a curtailment order fails to reduce gas flow in the event there is insufficient capacity to handle all confirmed and scheduled nominations.

OFOs will identify the situation to be addressed and will identify specific actions to be taken by Shipper, stated in terms of an hourly Gas flow level, and the probable duration of an OFO. Transporter will provide periodic reports on Transporter's Internet Web Site (web site) as to any changes in the condition that prompted the OFO and probable duration of the OFO. OFOs affecting multiple Shippers on all or any portion of Transporter's System will be posted on the web site. The OFO will be posted within one (1) hour of its issuance and will be effective within four (4) hours of issuance. To the extent an OFO is only applicable to specific Shippers, Transporter may notify such Shippers by telephone or facsimile, but the OFO will be effective as to such Shippers when posted on Transporter's web site. Shipper must make a contact person available on a twenty-four (24) hour basis to receive OFO notices, and provide all necessary information to Transporter. Transporter will use reasonable efforts to give actual notice to that person, as time permits.

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[Sheet Index Table](#)    [RP00-319-003](#)

**First Revised Sheet No. 136 : Effective**

***Superseding: Original Sheet No. 136***



7.2 COMPLIANCE WITH OPERATIONAL FLOW ORDERS - OFOs issued to alleviate conditions that threaten the operational integrity of Transporter's System will require compliance within four (4) hours of issuance, or such other time specified in the OFO. Any Shipper receiving an OFO must undertake such of the following actions as are necessary to comply with

such order:

- a. Commence or increase tenders of Gas into Transporter's System by a specified quantity at specified Receipt Points or shift tenders of Gas, in whole or in part, to different specified Receipt Points;
- b. Cease or reduce tenders of Gas into Transporter's System by a specified quantity at specified Receipt Points;
- c. Commence or increase takes of Gas from Transporter's System by a specified quantity at specified Delivery Points or shift takes of Gas, in whole or in part, from different Delivery Points;
- d. Cease or reduce takes of Gas from Transporter's System by a specified quantity at specified Delivery Points.

7.3 PENALTIES - If Shipper is notified by Transporter of an OFO and fails to comply with such OFO during the effective period of the OFO, Shipper shall be subject to a penalty for quantities received and/or delivered in excess of the quantities specified by Transporter in such OFO. If Shipper complies by adjusting its tenders or takes within the time period specified in an OFO, Shipper shall not be subject to the penalty set forth in this Subsection 7.3. Shipper compliance will be a change in Gas flow to the level specified by Transporter and will be evidenced by the confirmation of a flow rate change from an upstream or downstream Operator or the confirmation of a flow rate change by Transporter. Transporter will use reasonable efforts to assist any Shipper in complying with an OFO.

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[Sheet Index Table](#)    [RP00-319-003](#)

## Original Sheet No. 136A : Effective

Penalties for failure to comply with an OFO will be assessed according to the following schedule.

100% Compliance	\$	0.00/dt
Less than 100% and Greater than 99%	\$	10.00/dt
Less than 99% and Greater than 98%	\$	20.00/dt
Less than 98%	\$	50.00/dt

Transporter will refund or carry forward, for each calendar Year, any difference between the penalty revenues received by Transporter and the costs incurred by Transporter as a result of failures of Shippers to comply with OFOs. To the extent the difference between costs and revenues in respect of

such OFO penalties during any calendar Year is less than Four Hundred Thousand Dollars (\$400,000), Transporter shall carry forward the difference to the next calendar Year. To the extent the difference is greater than Four Hundred Thousand Dollars (\$400,000), Transporter shall refund or invoice each System Shipper in proportion to such Shipper's use of the System during such calendar Year within one hundred twenty (120) Days after the end of the calendar Year. Any such difference, whether a positive or negative, shall include interest at the rate set forth in section 154.501 of the Commission's regulations.

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[Sheet Index Table](#)    [RP00-319-003](#)

## First Revised Sheet No. 137 : Effective

### *Superseding: Original Sheet No. 137*

- 7.4 IMMEDIATE OPERATIONAL FLOW ORDERS - If Transporter determines that operational circumstances exist such that the issuance of an OFO is imminent, but that corrective actions could mitigate such circumstances, Transporter will notify affected Shippers of a potential OFO. Transporter will postpone the issuance of an OFO, if feasible, and allow affected Shippers the opportunity to take corrective actions, provided the affected Shippers advise Transporter of their proposed corrective actions and Transporter agrees to such actions. Failure to implement corrective measures by such Shippers may ultimately result in the issuance of an OFO.
- 7.5 IMBALANCES RESULTING FROM OPERATIONAL FLOW ORDERS - To the extent any monthly imbalance or portion thereof is a direct result of Shipper's inability to balance receipts and deliveries during the Month due to the issuance of an OFO, Shipper will have until the end of the next calendar Month to reconcile that portion of the imbalance attributable to its compliance with the OFO. Any imbalance remaining at the end of the extended period will be subject to the imbalance resolution procedures set forth in Section 9 of this FERC Gas Tariff.
- 7.6 REPORTS FOLLOWING OFOS - In the event Transporter issues an OFO, it will file a report on the OFO within 60 days. The report will include a timeline of the actions taken to notify customers of the possibility of an OFO, the intermediate steps taken by the pipeline to avoid or reduce the impact of an OFO, the steps taken by the pipeline and shippers to end the OFO, and the end of the OFO. The report will include the amount of penalties that were assessed, if any, and the expenses incurred to avoid or correct the OFO conditions.



## First Revised Sheet No. 138 : Effective

### *Superseding: t No. 138*

#### 8. ALLOCATION OF MEASURED GAS QUANTITIES

8.1 ALLOCATION OF MEASURED RECEIPTS AND DELIVERIES - Promptly at the end of each Month, Transporter will allocate the daily quantity of Gas measured at each Receipt Point and each Delivery Point for the account of Shipper under each Service Agreement. To the extent possible, all quantities of Gas measured at each Receipt Point and each Delivery Point will be allocated on the basis of Shipper's confirmed nominations. In the event the quantities of Gas measured at any Receipt Point or any Delivery Point do not equal the confirmed nominations for such point, the quantities of Gas measured at the Receipt Point or the Delivery Point will be allocated in accordance with the following methods and in the following order: (1) under the provisions of an Operational Balancing Agreement, (2) on the basis of a Predetermined Allocation, or (3) pro rata to Firm Shippers, or (4) pro rata to Interruptible Shippers on the basis of confirmed nominations.

8.2 OPERATIONAL BALANCING AGREEMENTS - Transporter is willing to negotiate an Operational Balancing Agreement (OBA) with any Operator for the purpose of minimizing operational imbalances and/or resolving other matters with respect to the receipt of Gas into, or the delivery of Gas from, Transporter's System. The OBA must specify the Gas custody transfer procedures to be followed by Transporter and the Operator for the confirmation of nominated quantities and allocation of quantities of Gas measured at the point(s) of interconnection between Transporter and the Operator. The OBA will provide that any variance between quantities of Gas measured and confirmed nominations for any Day will be promptly resolved in-kind or on a cash basis. To facilitate the determination of variances on a timely basis, Transporter and the Operator will agree on necessary measurement, allocation, and accounting procedures, and set forth such procedures in the OBA. Transporter will post on its Internet web site (web site) the Receipt Points and

Delivery Points where an OBA is in effect.

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[Sheet Index Table](#)    [CP96-712-002](#)

## Original Sheet No. 139 : Effective

- 8.3 ELIGIBILITY FOR AN OPERATIONAL BALANCING AGREEMENT -  
Transporter will negotiate and execute an OBA on a non-discriminatory basis with any Operator, provided that Transporter shall not be obligated to negotiate and execute an OBA with any Operator that:
- a. Is not creditworthy as determined pursuant to Section 10 of the General Terms and Conditions;
  - b. Does not maintain, or have available, dispatching operations that are staffed on a continuous basis;
  - c. Does not have electronic flow measurement equipment to which Transporter has access at the interconnect point(s) for which an OBA is proposed;
  - d. Would subject Transporter to an increase in operating costs to operate electronic flow measurement or flow control equipment; or
  - e. Does not commit to timely and final determination of variances based on prompt in-kind or cash resolution.

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[Sheet Index Table](#)    [RP02-456-000](#)

## First Revised Sheet No. 140 : Effective

### *Superseding: Original Sheet No. 140*

- 8.4 PREDETERMINED ALLOCATIONS - Transporter is willing to negotiate and establish a Predetermined Allocation methodology with any Operator for the purpose of allocating quantities of Gas measured at any Receipt Point or any Delivery Point in the event the quantities of Gas measured do not equal the confirmed nominations for such point. Unless otherwise

agreed, all Predetermined Allocation methods established between Transporter and Operator must be agreed to in writing or by electronic communication following the NAESB Standards before the first Day of the allocation period in which the Predetermined Allocation method is to be effective.

The Predetermined Allocation method must specify how the Gas measured at a Receipt Point or Delivery Point is to be allocated for the account of Shipper. The Predetermined Allocation method will either be ranked, pro rata, percentage, or swing, as such terms are defined in the NAESB standards. The Predetermined Allocation methods are available at any point except those covered by an OBA.

If Operator and Transporter cannot agree upon an allocation method, pro rata based upon confirmed nominations will be used as the default method. The party responsible for custody transfer (the party performing the measurement function) shall provide the allocation.

To the extent Operator submits a Predetermined Allocation method by electronic communication, Transporter shall send a Quick Response, as such term has been defined by NAESB, confirming the receipt of Operator's selection of a Predetermined Allocation method.