



March 7, 2024

Ms. Debbie-Anne A. Reese, Acting Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Enable Mississippi River Transmission, LLC  
Docket No. RP24-                      
Update GT&C Section 8

Dear Ms. Reese:

Enable Mississippi River Transmission, LLC ("MRT") hereby electronically submits for filing with the Federal Energy Regulatory Commission ("Commission") the following revised tariff record to its FERC NGA Gas Tariff, Seventh Revised Volume No. 1 ("Tariff"), proposed to become effective April 7, 2024:

<u>Version</u>	<u>Description</u>	<u>Title</u>
2.0.0	GT&C Section 8	Nominations, Scheduling and Curtailment

MRT proposes no changes to its currently effective rates as part of this filing, and MRT does not anticipate any increase in revenues or costs as a result of this tariff change. MRT seeks to revise a scheduling provision in the Tariff related to receipts into a pool that is inconsistent with industry standards and inconsistent with the nature and intended function of pools as a means to aggregate supply on the transportation system.

## STATEMENT OF NATURE, REASONS, AND BASIS

In preparation for the implementation of a new gas management system, MRT reviewed the scheduling priorities outlined in its Tariff. MRT's Tariff currently assigns a scheduling priority to receipts into a pool that is based on the scheduling priority of the downstream contract to which such pool supplies ultimately are allocated. MRT determined that this scheduling priority is inconsistent with the nature of pooling and with industry standards related to scheduling gas into and out of pools. Further, this provision is inconsistent with Commission pronouncements regarding the purpose of pooling and the impact of pooling on scheduling priorities. As a result, MRT is proposing to revise the Tariff to remove the language in Section 8.2(i) of the General Terms & Conditions ("GT&C") which provides that the scheduling priority applicable to deliveries into a pool, except Pool Transfers, will be based on the scheduling priority of the applicable downstream service agreement. MRT proposes to replace this provision with a provision that would assign an interruptible priority to all such deliveries into a pool.

The Commission has held that the purpose of pooling is to facilitate the aggregation of gas supply where there are few constraints.<sup>1</sup> Under typical operating conditions on the MRT system when constraints do not exist there are no issues with gas reaching the pool and being subsequently scheduled to downstream contracts. In this circumstance, MRT has no reason to prioritize receipts from one physical location over receipts from another location because all of the receipts can reach the pool. However, if a constraint does arise, the pool operator allocates pool supplies to downstream contracts, impacting the scheduling priority of deliveries into the pool in a manner that is not based on the actual scheduling priority associated with the physical receipt and delivery points contractually available to the

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<sup>1</sup> *Gulf South Pipeline Company, LP*, 132 FERC ¶ 61,199 at P 68 (2010).

shippers sourcing supply from the pool. This requires MRT to trace supplies through the pool to the physical receipt points from which such supplies are sourced. MRT then assigns scheduling priorities to these sources of supply based on the priorities associated with the applicable downstream contracts, regardless of the receipt point entitlements and scheduling priorities under such contracts. Such a result is inconsistent with the nature and function of pools as a means to aggregate supply and with the nature of supply aggregation in general. Further, as discussed below, this is an inefficient and burdensome method of assigning scheduling priority when shippers retain the ability under their contracts and MRT's Tariff to nominate gas directly from their physical receipt points when a constraint occurs.

Not only is the practice of assigning scheduling priority for pool receipts based on the scheduling priority of the downstream contract inconsistent with the nature of pools and supply aggregation, it is inconsistent with the Commission's conclusion that pooling is not intended to enhance the scheduling rights of shippers,<sup>2</sup> nor is it intended to provide transportation across operational constraints.<sup>3</sup> Receipt points feeding a pool should be operationally similar such that there is no difference between scheduling gas from a physical receipt point and scheduling gas from the pool.<sup>4</sup> When a constraint arises on a pipeline system, the physical receipt points feeding a pool upstream of the constraint are no longer operationally similar to those points located downstream of the constraint. The provision in MRT's Tariff assigning scheduling priority for pool receipts based on the scheduling priority of the downstream contract ignores this important distinction and provides shippers sourcing supplies from the pool a means by which to avoid a constraint that may be inconsistent with their contractual rights. In other words, contrary to Commission precedent, this process may provide enhanced scheduling rights or transportation across constraints. Rather than relying on pooling when a constraint arises, shippers should take advantage of their scheduling priority rights under their contracts and nominate supplies directly from their contractual receipt points to ensure appropriate scheduling priority. Consistent with Commission precedent, such contractual and tariff-based scheduling rights should dictate scheduling priority, pooling and pool operators should not.

Moreover, assigning priority for pool receipts based on the priority associated with the downstream contract leaves MRT in the untenable position of needing to determine which physical supplies from numerous individual physical receipt points should be in essence disaggregated from the overall pool supplies and assigned a priority based on the downstream contract to which the pool operator has allocated the aggregated available supply. This process is further complicated when one considers that: (i) there may be numerous shippers receiving supply from a particular pool, (ii) there may be numerous physical receipt points supplying each pool, (iii) each physical receipt point may supply gas to more than one pool, and (iv) pool operators may transfer supplies between pools. In addition to placing a significant burden on MRT to manually disaggregate the pool supplies for purposes of establishing scheduling priority, this process is unnecessary given that shippers always retain the right to nominate supplies from the physical receipt points available to them under their contracts and thus be assured of the scheduling priority to which they are entitled under MRT's Tariff.

MRT's proposal to afford interruptible scheduling priority to pool receipts also addresses the issue of potential conflicts between the allocation of pool supplies performed by a pool operator and the contractual rights of shippers to scheduling priority based on their contractual receipt and delivery points. During normal operating conditions where no constraints are present, MRT's proposal retains the advantages of pooling to producers and pool operators by allowing them to aggregate supplies and retains the advantages to shippers by allowing them to submit a single nomination from the pool rather than submitting multiple individual nominations from specific physical receipt points. In the event a constraint does arise on the MRT system, shippers always have the ability to revert to their primary physical receipt point(s) to ensure the highest scheduling priority consistent with their contractual rights.

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<sup>2</sup> *Id.* at P 68.

<sup>3</sup> *Id.* at P 63, citing *Northwest Pipeline Co.*, 80 FERC ¶ 61,361 (1997).

<sup>4</sup> *Id.* at P 53.

This is consistent with the nature of pooling, as discussed above, and preserves the appropriate scheduling priorities for shippers based on their contractual rights and the scheduling priority established by MRT's Tariff. Moreover, it appropriately places the onus on shippers to revert to nominating from physical primary receipt points when a constraint arises to ensure they can take advantage of their full contractual firm scheduling priority rights.

## **IMPLEMENTATION AND WAIVER REQUEST**

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, MRT requests that the proposed tariff record submitted herewith be accepted effective April 7, 2024. MRT respectfully requests that the Commission grant any waivers of its Regulations that it deems necessary in order to accept this filing and allow the proposed tariff record in this filing to become effective on April 7, 2024.

## **CONTENTS OF THE FILING**

This filing is made in electronic format in compliance with Section 154.4 of the Commission's Regulations. In addition to the proposed tariff record in RTF format with metadata attached, the XML filing package contains:

- A transmittal letter, including a Statement of Nature, Reasons and Basis in PDF format.
- A clean copy of the proposed tariff record in PDF format.
- A marked version of the proposed tariff changes in PDF format.
- A copy of the complete filing in PDF format for publishing in eLibrary.

## **COMMUNICATIONS, PLEADINGS AND ORDERS**

MRT requests that all Commission orders and correspondence, as well as pleadings and correspondence from other parties concerning this filing, be served on each of the following:

**Michael T. Langston** <sup>5</sup>  
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<sup>5</sup> Designated to receive service pursuant to the Commission's Rules of Practice and Procedure. MRT respectfully requests that the Commission waive Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), in order to allow MRT to include additional representatives on the official service list.

Ms. Debbie-Anne A. Reese, Acting Secretary  
Federal Energy Regulatory Commission  
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**Lawrence J. Biediger**<sup>5 6</sup>

Sr. Director, Rates and Regulatory Affairs  
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In accordance with Section 154.2(d) of the Commission's Regulations, a copy of this filing is available for public inspection during regular business hours at MRT's office at 1300 Main Street, Houston, Texas 77002. In addition, copies of this filing are being served electronically on jurisdictional customers and interested state regulatory agencies. MRT has posted this filing on its Internet site accessible via <https://pipelines.energytransfer.com/ipost/MRT> under Informational Postings, Regulatory.

Pursuant to Section 385.2011(c)(5) of the Commission's Regulations, the undersigned has read this filing and knows its contents; the contents are true as stated, to the best of his knowledge and belief; and the undersigned possesses full power and authority to sign such filing.

Respectfully submitted,

ENABLE MISSISSIPPI RIVER TRANSMISSION, LLC

**/s/ Lawrence J. Biediger**

Lawrence J. Biediger  
Sr. Director, Rates and Regulatory Affairs

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<sup>6</sup> Designated as responsible Company official under Section 154.7(a)(2) of the Commission's Regulations.

## GENERAL TERMS AND CONDITIONS

### 8. NOMINATIONS, SCHEDULING, AND CURTAILMENT

#### 8.1 Nomination Procedures

- (a) General Procedures. A Customer, Pool Operator, or Customer's or Pool Operator's designee, shall submit to MRT prior to the applicable nomination deadline an electronically communicated nomination, unless MRT otherwise agrees or emergency events prevent such electronic communication, containing all data elements required by NAESB Standards including the following information:
  - (i) Contract Number;
  - (ii) Customer's or Pool Operator's name and nomination representative;
  - (iii) Nomination representative's telephone and facsimile number and e-mail address;
  - (iv) On-behalf-of entity (if transportation is to be performed pursuant to Subpart B);
  - (v) The quantities to be received in Dth per day by Receipt or Pool Location Code and the quantities to be delivered in Dth per day by Delivery or Pool Location Code for each contract and the effective dates of such quantities; and
  - (vi) The appropriate Fuel Use and LUFG deductions.
  - (vii) All nominations should include Customer defined begin dates and end dates. All nominations excluding intraday nominations should have roll-over options. Specifically, Customers should have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of the Customer's contract.
  - (viii) All nominations, including intraday nominations, should be based on a daily quantity; thus, an intraday nominator need not submit an hourly nomination. Intraday nominations should include an effective date and time. The interconnected parties should agree on the hourly flows of the intraday nomination, if not otherwise addressed in MRT's contract or tariff.
  - (ix) Quantities nominated at receipt points, less Fuel Use and LUFG, shall equal the nominated quantities at delivery points under a Service Agreement.

- (b) The Receipt and Delivery Location Codes are provided to Customers and Pool Operators on MRT's Internet web site or in MRT's gas management system.
- (c) If an upstream or downstream party requires additional information or additional information is otherwise required by MRT, upon notification by MRT, Customer or Pool Operator must provide such additional information as specified by MRT.
- (d) A separate nomination shall be submitted to MRT for each Delivery Location and Service Agreement. Once a nomination, excluding intraday nominations, has been submitted by a Customer or a Pool Operator and accepted and confirmed by MRT, such nomination shall remain in effect until the end date set forth in the nomination unless changed pursuant to the provisions of this Section 8. If an end date is not provided, the nomination end date, except for intraday nominations, will default to the last day of the month in which the nomination begin date occurs.
- (e) Transfer Nominations. MRT accommodates TTT on its system via the procedures specified in this Section 8.1(e). Other than processing valid nominations to reflect the in-place transfer of gas, MRT shall be required to provide no accounting services relating to TTT.
  - (i) Whenever gas is purchased or sold at a receipt point on MRT's system, including storage withdrawals and pooling point(s), by an entity that is not nominating the gas for receipt by MRT under a Service Agreement, that entity must submit a transfer nomination to MRT, which identifies the Dth quantities, the entities from whom the gas is being bought, and the entities to whom the gas is being sold. Transfer nominations must be received by MRT on or before the applicable deadlines for Customer and Pool Operator nominations. If there is more than one entity receiving gas from a transfer nomination, the predetermined allocation methodology to be utilized for those gas deliveries will be pro rata based upon quantities specified in the transfer nomination, unless another methodology has been agreed upon. MRT shall have the right to require entities submitting transfer nominations to MRT to enter into an agreement outlining such entities' responsibilities.
  - (ii) A party desiring to provide TTT services which arise from or terminate with activity on MRT's system shall do so as authorized agent for the entities transferring title. If any of such entities are Customers or Pool Operators, such 3PAD shall be required to enter into an agency agreement in MRT's then current form, among the Customer or Pool Operator, MRT and the 3PAD.
- (f) Nomination Deadlines.

- (i) MRT provides the following standard nomination cycles (all times CT):
  - (A) Timely Nomination Cycle: The standard nominations timeline should be as follows: 1:00 p.m. for nominations leaving control of the nominating party; 1:15 p.m. for receipt of nominations by MRT (including from TTTSPs), 1:30 p.m. for quick response; 4:30 p.m. for receipt of completed confirmations by MRT from upstream and downstream connected parties; 5:00 p.m. for receipt of scheduled quantities by Customer and point operator (central clock time on the day prior to flow).
  - (B) Evening Nomination Cycle: On the day prior to flow: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by MRT (including from TTTSPs); 6:30 p.m. to send quick response; 8:30 p.m. for receipt of completed confirmations by MRT from upstream and downstream connected parties; 9:00 p.m. for MRT to provide scheduled quantities to affected Customers and point operators, including notice to bumped Customers. Scheduled quantities resulting from a nomination pursuant to this Section 8.1(f)(i)(B) will be effective at 9:00 a.m. on the day of flow.
  - (C) Intraday 1 Nomination Cycle: On the day of flow: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by MRT (including from TTTSPs); 10:30 a.m. to send quick response; 12:30 p.m. for receipt of completed confirmations by MRT from upstream and downstream connected parties; 1:00 p.m. for MRT to provide scheduled quantities to affected Customers and point operators, including notice to bumped Customers. Scheduled quantities resulting from intraday nominations pursuant to this Section 8.1(f)(i)(C) will be effective at 2:00 p.m. on the day of flow.
  - (D) Intraday 2 Nomination Cycle: On the day of flow: 2:30 p.m. for nominations leaving control of the nominating party; 2:45 p.m. for receipt of nominations by MRT (including from TTTSPs); 3:00 p.m. to send quick response; 5:00 p.m. for receipt of completed confirmation by MRT from upstream and downstream connected parties; 5:30 p.m. for MRT to provide scheduled quantities to affected Customers and point operators. Scheduled quantities resulting from Intraday 2 Nominations will be effective at 6:00 p.m. on the day of flow.

- (E) Intraday 3 Nomination Cycle: On the day of flow: 7:00 p.m. for nominations leaving control of the nominating party; 7:15 p.m. for receipt of nominations by MRT (including from TTTSPs); 7:30 p.m. to send quick response; 9:30 p.m. for receipt of completed confirmation by MRT from upstream and downstream connected parties; 10:00 p.m. for MRT to provide scheduled quantities to affected Customers and point operators. Scheduled quantities resulting from Intraday 3 Nominations will be effective at 10:00 p.m. on the day of flow. Bumping shall not occur due to intraday nominations pursuant to this Section 8.1(f)(i)(E).
- (F) For purposes of NAESB WGQ Standard No. 1.3.2 ii, iii, and iv (Section 8.1(f)(i)(B)(E) above), “provide” shall mean for transmittals pursuant to Standards 1.4x (electronic data interchange) receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

The quick response by MRT will be an electronic message to those parties submitting nominations electronically advising of receipt of the nomination and of any errors in communication or missing required data elements.

- (ii) All nominations should be considered original nominations and should be replaced to be changed. 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.
- (iii) Nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline.
- (iv) Incomplete or Late Nominations. A Customer's or Pool Operator's failure to submit properly completed nominations may result in gas not being transported, pooled, or injected or withdrawn from storage. A Customer's or Pool Operator's failure to submit a nomination by the applicable deadline may result in delays for the requested service. Late nominations will not be accepted if such acceptance would result in the curtailment of gas previously scheduled, unless MRT and all affected parties agree to the contrary.
- (g) Intraday Nominations. Any nomination submitted after the nomination deadline for the day of gas flow specified in Section 8.1(f)(i)(A) herein shall be treated as an intraday nomination. For services that provide for intraday nominations and



scheduling, there will be no limitation as to the number of intraday nominations (line items as per NAESB Standard 1.2.1) which a Customer or Pool Operator may submit at any one standard nomination cycle or in total across all nomination cycles. An intraday nomination is effective only for the day specified in the nomination, must be submitted by the applicable deadline set forth in Section 8.1 (f)(i) above, and remains in effect through the end of such day.

- (i) Intraday nominations can be used to nominate new supply or market or to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas.
- (ii) Intraday nominations do not rollover (i.e., intraday nominations span one (1) day only). Intraday nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if intraday nomination modifies an existing nomination.
- (iii) MRT will give scheduling priority to service under Rate Schedule NNT and intraday nominations submitted by firm Customers over nominated and scheduled and/or flowing quantities for interruptible Customers. Otherwise, MRT will not accept or confirm an intraday nomination that would result in a change to any other Customer's or Pool Operator's scheduled and flowing quantities for that day without their prior consent. MRT will provide advance notice using the mechanisms provided for in Section 9.6 below for notifying Customers of OFOs to interruptible Customers of reductions in scheduled and/or flowing quantities resulting from intraday nominations by firm Customers in accordance with Section 8.1(f)(i) above. MRT will notify any such interruptible Customer if any penalties will apply on the day its scheduled and/or flowing quantities are reduced. If MRT does not notify an interruptible Customer in advance of reductions in scheduled and/or flowing quantities due to an intraday nomination by a firm Customer, no penalties will be imposed by MRT on such interruptible Customer for the day of the reduction. No penalties other than penalties assessed during periods in which OFOs and/or curtailment orders are in effect will be imposed by MRT on interruptible Customers whose scheduled and/or flowing quantities were reduced due to firm Customers' intraday nominations.
- (iv) Intraday nominations submitted on the day prior to gas flow, if scheduled, will take effect at the start of the next gas day, 9:00 a.m. central clock time.
- (h) **Nomination Confirmation.** MRT shall contact the appropriate upstream and downstream parties to confirm the nominated quantities.
  - (i) **Confirmation of Nominations.** Unless the Confirming Parties have agreed to Confirmation by Exception, after the nomination deadline for a cycle

that has passed MRT will contact the upstream pipeline or point operator for confirmation of gas deliveries to MRT, and the downstream pipeline or point operator for confirmation of gas receipts from MRT. The confirmation process will be completed between MRT and the appropriate pipeline or point operator by the times provided in Section 8.1(f)(i). MRT will make available to Customers, Pool Operators and point operators by the times provided in Section 8.1(f)(i) all scheduled and confirmed quantities. At a receipt or delivery point, unless MRT and the appropriate pipeline or point operator agree otherwise, the following shall be the confirmed quantities:

- (A) For nominations submitted pursuant to Section 8.1(f)(i)(A) above, and for intraday nominations (including nominations pursuant to Section 8.1(f)(i)(B), (C), and (D) above) which are increases, the lesser of rule (confirmed or nominated flow) applies when confirming.
- (B) For nominations submitted during the nomination cycle described in Section 8.1(f)(i)(A) above, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response the lesser of the new nomination or previously scheduled quantity applies.
- (C) For nominations for increases submitted during the nomination cycles pursuant to Sections 8.1(f)(i)(B), (C), (D), and (E) above, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the scheduled quantity for the previous nomination cycle for the subject Gas Day should be the new confirmed quantity.
- (D) For intraday nominations and nominations pursuant to Section 8.1(f)(i)(B), (C), (D), and (E) above which are decreases, the lesser of rule (confirmed or nominated flow) applies when confirming, but in any event no less than the elapsed-prorated- scheduled quantity shall be confirmed.
- (E) For intraday nominations and nominations pursuant to Section 8.1(f)(i)(B), (C), (D), and (E) above which are decreases, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the greater of the nominated quantity or the elapsed-prorated-scheduled quantity shall be confirmed.
- (F) If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, MRT will provide the nominating party with the following information as part of the

documentation of the scheduled quantity to explain why the nomination failed, as applicable:

- (1) MRT did not conduct the confirmation;
  - (2) The upstream confirming party did not conduct the confirmation;
  - (3) The upstream service requester did not have the gas or submit the nomination;
  - (4) The downstream confirming party did not conduct the confirmation; and
  - (5) The downstream service requester did not have the market or submit the nomination.
- (ii) Nomination Changes Due to Daily Imbalances. Customers, Pool Operators, and Parties to Operational Balancing Agreements with MRT are responsible for ensuring that daily flows match confirmed nominations. If MRT determines that actual daily flows under a particular agreement differ from the confirmed nominations, MRT may require prospective nomination changes by receipt or delivery point(s) in order to balance agreements as closely as possible.
- (iii) At the end of each gas flow day, MRT shall make available electronically via the Internet to Customers and Pool Operators information containing scheduled quantities, including scheduled intraday nominations and any other scheduling changes.
- (i) Curtailment and Interruptions in Service. MRT shall notify Customer(s) and Pool Operator(s) affected by interruptions in service or curtailment pursuant to Section 8.3 of these General Terms and Conditions as soon as practicable. MRT shall also notify the affected Customer(s) or Pool Operator(s) as soon as practicable of the resumption of service, and upon such notification, the Customer or Pool Operator shall verify the level of service desired. MRT may require a Customer or Pool Operator to submit a completed nomination specifying the level of service desired. MRT may provide such notices to Customers and Pool Operators electronically via the Internet.

## 8.2 Scheduling Procedures

- (a) Storage services will be scheduled in the following order, from highest to lowest priority:

- (i) Firm storage injections and withdrawals consistent with the requirements set forth in Rate Schedule FSS.
  - (ii) Interruptible and overrun storage service from highest to lowest rate. In the event there is insufficient capacity or daily storage deliverability to schedule all such services at the same rate, MRT shall allocate the available capacity or daily storage deliverability pro rata based upon confirmed nominations.
- (b) Definitions
  - (i) The term "Line Priority" shall mean the quantities on a particular line within a rate zone (West Line, Main Line/Field Zone, Main Line/Market Zone or East Line) for receipts, or the sum of a Customer's Primary Delivery Point quantities on a particular line within a rate zone for deliveries, excluding any quantities related to storage, pursuant to the Service Agreement being utilized, as adjusted to reflect any released capacity.
  - (ii) The term "Rate Zone Capacity" shall mean the maximum amount of firm capacity a Customer has contracted for in a particular rate zone on MRT's system pursuant to Customer's Service Agreement. For scheduling purposes, Rate Zone Capacity will be adjusted to reflect any released capacity.
  - (iii) The term "Line Capacity" (West Line, Main Line, or East Line) shall mean the total amount of capacity a Customer has contracted for on a particular line based on its Primary Path pursuant to the Service Agreement being utilized, as adjusted to reflect any released capacity consistent with the terms of a temporary release. The Line Capacity on the West Line for a Customer with a forward-haul Primary Path that includes Primary Receipt Point(s) on the West Line shall be based on a pro rata share, specified in its Service Agreement, of the total daily amount of available capacity on the West Line; provided however, that a Customer's total amount of Line Capacity on the West Line shall not exceed its Rate Zone Capacity in the Field Zone.
- (c) Transportation services other than storage services scheduled in accordance with Section 8.2(a) will be scheduled in the following order, from highest to lowest priority:
  - (i) All firm services, in the following order, from highest to lowest priority:
    - (A) All firm services utilizing receipt and delivery points within the Customer's Primary Path (for purposes hereof, primary points within the Reticulated System are deemed to be within the Primary

Path and of equal priority), Line Priority and Rate Zone Capacity, in the following order:

- (1) Firm services utilizing Primary Receipt Points for redelivery to Primary Delivery Points;
- (2) Firm services utilizing Secondary Receipt Points for redelivery to Primary Delivery Points;
- (3) Firm services utilizing Primary Receipt Points for redelivery to Secondary Delivery Points; and
- (4) Firm services utilizing secondary receipt points for redelivery to secondary delivery points.

However, if there is insufficient capacity available to schedule all service within a subcategory in category (A) due to a constraint other than at a receipt or delivery point, all Customers affected by such constraint within that subcategory of category (A) will be scheduled equally, on a pro rata basis based upon Line Priority. Constraints at receipt or delivery points shall be scheduled in accordance with Section 8.2(d) below.

- (B) All firm services utilizing receipt and delivery points within the Customer's Line Priority and Rate Zone Capacity, and flowing gas in the same direction as the Customer's Primary Path, not included in category (A) above, in the order set out in subcategories (A)(2) through (A)(4);
  - (C) All firm services utilizing receipt and delivery points within the Customer's Rate Zone Capacity, and flowing gas in the same direction as the Customer's Primary Path, not included in categories (A) and (B) above, in the order set out in subcategories (A)(2) through (A)(4); and
  - (D) All firm services utilizing receipt and delivery points not included in categories (A), (B) and (C) above.
- (ii) Secondary transactions which would otherwise fall within scheduling category (B) or (C) above but for the reversal of flow direction, shall continue to be scheduled within such category or applicable subcategory if, and to the extent that, such reverse flow from the Primary Path creates capacity or relieves constraints. In the event there is insufficient capacity available to schedule all firm service within a subcategory in category (A) or categories (B), (C), or (D) above, all firm Customers within that subcategory

or category will be scheduled on a pro rata basis based upon Line Priority and to the extent two or more of such firm Customers have Line Priority equal to zero (0), such firm Customers will be scheduled, as between each other, on a pro rata basis based upon Rate Zone Capacity; provided, however, if a Releasing Customer creates a Secondary Path for a Replacement Customer, the Replacement Customer's nomination to utilize points within such Secondary Path shall have priority over a nomination to use points within the same path by the Releasing Customer.

- (iii) Customers may utilize primary points in excess of individual primary point capacity only on a secondary point basis. Scheduled Quantities exceeding Rate Zone Capacity (as defined in Section 8.2(b)(ii) of the General Terms and Conditions) shall be considered authorized overrun volumes.
  - (iv) All interruptible and authorized overrun services in the following order, from highest to lowest priority:
    - (A) MRT shall first schedule interruptible and authorized overrun services for which the maximum rate is to be paid.
    - (B) MRT shall next schedule discounted interruptible and authorized overrun services based on the rate to be paid, from highest to lowest, with service for which the highest rate is to be paid scheduled first.
  - (v) In the event there is insufficient capacity to schedule all interruptible and authorized overrun services at the same rate, MRT shall allocate the available capacity pro rata based upon confirmed nominations.
- (d) When the constraint occurs only at a point and/or associated facilities, properly submitted and confirmed nominations for firm service at primary points shall have priority over firm service at secondary points. If there is insufficient point capacity available within a category, all Customers affected within a category will be scheduled equally, on a pro rata basis, based upon nominations. MRT shall notify any Customer whose service is to be interrupted pursuant to this provision no later than 4:30 p.m. CT on the day before the day on which such higher priority service is to commence. However, if in order to provide No Notice Transportation service pursuant to the terms and conditions of Rate Schedule NNT, MRT is required to interrupt a lower priority of service, MRT shall notify any Customer whose service is to be interrupted as soon as is reasonably practicable. MRT may provide such notifications to Customers electronically via the Internet.
- (e) Firm secondary point scheduled quantities within MDQ plus applicable fuel shall not be interrupted during the day as a result of subsequent nominations by firm Customers desiring to utilize such points as secondary points.

- (f) Previously scheduled interruptible and AOR service will not be interrupted during the day in order to provide service for a higher priority interruptible or AOR service pursuant to an intraday nomination.
- (g) Nominations to make up imbalance quantities may be denied if all other services cannot be scheduled.
- (h) Customers utilizing capacity within the Primary Path through the capacity release program pursuant to Section 14 of these General Terms and Conditions shall have their transactions scheduled according to the priority of the Releasing Customer's Service Agreement (i.e., Section 8.2(c)(i)(A)), and Customers utilizing a Secondary Path shall have their transactions scheduled pursuant to Section 8.2(c)(i)(B)-(D), as applicable.
- (i) Deliveries out of a pool, except Pool Transfers, will be prioritized for scheduling purposes pursuant to Section 8.2(c) herein as a Secondary Receipt Point and as if the pool were an actual receipt point. Deliveries into a pool will be prioritized for scheduling purposes on an interruptible basis.
- (j) If a Customer nominates receipts from more than one pool and a conflict arises as to which pool receives the Customer's higher scheduling priority, then the Customer's priority shall be prorated between or among the affected pools.
- (k) MRT shall redetermine the priority of each Customer and Pool Operator under Section 8.2 and reallocate capacity hereunder on a periodic basis as is necessary for MRT to recognize the priority of new Customers and Pool Operators or to reflect any changes in the priorities of existing Customers and Pool Operators, to assure service to its firm Customers, and to accommodate the operational requirements of the system.
- (l) MRT shall have the unqualified right to interrupt Transportation Services, Storage Services, or both at any time under MRT's interruptible rate schedules to provide service under MRT's firm rate schedules pursuant to a properly submitted nomination or under Rate Schedule NNT. MRT will give scheduling priority to service under Rate Schedule NNT and intraday nominations submitted by firm Customers over nominated and scheduled and/or flowing quantities for interruptible Customers. MRT shall interrupt interruptible and authorized overrun quantities in sequence pursuant to the priorities specified in Section 8.2 herein, from lowest to highest priority. MRT shall notify any Customer whose service is to be interrupted pursuant to this provision in accordance with Section 8.1(f)(i) above. However, if, in order to provide No Notice Transportation service pursuant to the terms and conditions of Rate Schedule NNT, MRT is required to interrupt a lower priority service, MRT shall notify any Customer whose service is to be interrupted

as soon as is reasonably practicable. MRT may provide such notifications to Customers electronically via the Internet.

- (m) In making reductions in nominated quantities during the scheduling process, MRT will use Customer or Pool Operator provided rankings for service under its Service Agreement if not in conflict with the priorities set forth in Section 8 of these General Terms and Conditions.
- (n) For nominations pursuant to the cycle described in Section 8.1(f)(i)(A) above, MRT will complete the scheduling process and provide information on scheduled quantities by 4:30 p.m. CT on the day prior to gas flow.
- (o) In addition to the foregoing, the scheduling, allocation and curtailment of capacity pursuant to this Section 8 shall conform to the provisions of Section 19.2 governing the negotiated and recourse rates.

### 8.3 Curtailment Procedures

- (a) MRT shall have the right to curtail or discontinue tariff services or both in whole or in part on all or a portion of its system at any time for reasons of force majeure or when in MRT's sole judgment reasonably exercised, capacity or operating conditions so require. MRT shall provide Customers such notice of the curtailment as is reasonable under the circumstances. MRT may provide such notifications to Customers electronically via the Internet.
- (b) If the conditions or event which caused the interruption or curtailment are anticipated to continue, scheduling of service pursuant to Section 8.2(c) shall be implemented to the extent required in conformity with the provisions of this section.
- (c) In the event of a curtailment pursuant to Section 8.3(a) above, interruptible and authorized overrun services shall be curtailed first. Interruptible and authorized overrun services shall be curtailed from lowest to highest rate. Interruptible and authorized overrun Customers may elect to waive discounts during curtailments; any such election shall be reflected in any discount agreement between MRT and the Customer. Interruptible and authorized overrun services at maximum rate shall be curtailed after all discounted interruptible and authorized overrun services have been curtailed. In the event that interruptible and authorized overrun service at the same rate must be curtailed, service shall be curtailed pro rata based on confirmed nominations. Following the curtailment of all interruptible and authorized overrun transportation services, firm transportation service shall be curtailed pro rata based on each Customer's MDQ in each zone. Firm Customers utilizing secondary receipt points without Line Priority will be curtailed before such Customers with Line Priority. Following the curtailment of all interruptible and authorized overrun storage withdrawals, firm storage withdrawals shall be



curtailed pro rata based on each Customer's current maximum daily deliverability. Following the curtailment of all interruptible and authorized overrun storage injections, firm storage injections will be curtailed pro rata based on contracted storage capacity.

- (d) All volumes received and/or taken in violation of MRT's curtailment or interruption orders shall constitute unauthorized receipts or deliveries of gas for which a charge of \$20.00 per Dth shall be assessed in addition to any other applicable rate, charge or penalty. Such charge shall be applicable to all such unauthorized receipts and deliveries following notification of curtailment or interruption, in violation of curtailment or interruption orders issued by MRT, which orders may be given by telephone, confirmed by facsimile transmission or any other reasonable means.
- (e) Notices and Indemnification

MRT shall have the responsibility to inform only its Customers and the immediate upstream or downstream facility operators involved in a transaction of any curtailment or interruption. Curtailed Customers shall indemnify MRT against and hold MRT harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by MRT, which shall include any curtailment or interruptions described in any part of this section; provided, however, Customers shall not be required to indemnify MRT for any damages resulting from MRT's negligence or willful misconduct.

#### 8.4 Emergency Reallocation

- (a) In the event an emergency situation, including an environmental emergency, should arise in which supplemental deliveries of gas are required in order to serve human needs or avoid substantial damage to property, MRT shall have the right to reallocate capacity and/or divert gas supplies to forestall the emergency upon receipt of verified proof that such an emergency exists, provided the aggregate of MRT's deliveries to any Customer shall not exceed the Customer's authorized MDQ. Only Customers subscribing to MRT's FSS and FTS or SCT shall be eligible to declare such an emergency.
- (b) A Customer declaring an emergency situation pursuant to this section must supply an affidavit executed by an officer or other person authorized to bind the Customer stating:
  - (i) An emergency exists and diversion of supplies or reallocation of capacity is necessary to serve human needs or avoid substantial damage to property. A description of the emergency and the Customer's estimate of its duration should be included;

- (ii) The Customer has exhausted all available alternatives to avert the emergency;
  - (iii) The Customer has curtailed its use or distribution of gas other than that necessary to serve human needs or avoid substantial damage to property; and
  - (iv) The Customer shall indemnify MRT against damages resulting from the diversion of supplies or reallocation of capacity to meet the emergency; provided, however, Customers shall not be required to indemnify MRT for any damages resulting from MRT's negligence or willful misconduct.
- (c) Within thirty (30) days of the termination of the emergency, the Customer declaring the emergency must provide MRT a complete explanation of the emergency, and a description of the steps it is taking to prevent a similar occurrence in the future. MRT may require Customers to provide such explanations via the Internet.
- (d) Where a Customer's declaration of an emergency results in the diversion of gas supplies, the Customer shall pay MRT \$10 per Dth for the diverted supplies, which MRT will credit to the Customers whose supplies were diverted.
- (e) Where a Customer's declaration of an emergency results in the reallocation of capacity, the Customer shall pay MRT \$5 per Dth per day for the reallocated capacity which MRT will credit to the Customers whose capacity was reallocated.
- (f) MRT shall not be liable for any damages resulting from the reallocation of capacity or diversion of supplies based upon information supplied in a Customer's affidavit under the terms of this section. A Customer which declares an emergency under this section shall be liable for any damages suffered by another Customer whose capacity is reallocated or whose gas supplies are diverted, to the extent such damages exceed the payment made by the Customer that declares the emergency.
- (g) Customers are encouraged to enter into voluntary emergency reallocation and diversion agreements in the form set forth in this tariff. Such agreements must be filed with MRT on or before October 1 and have an effective date of the following November 1. Each agreement shall remain effective for the period specified in the agreement. If no such voluntary agreement is applicable to an emergency reallocation or diversion, MRT will reallocate capacity and divert gas supplies pro rata from all Customers whose capacity or gas supplies may be used to resolve the emergency; however, MRT will not reallocate capacity or divert gas supplies when the affected Customer furnishes an affidavit certifying that such reallocation or diversion will cause another emergency situation pursuant to this section.

MARKED VERSION

## GENERAL TERMS AND CONDITIONS

### 8. NOMINATIONS, SCHEDULING, AND CURTAILMENT

#### 8.1 Nomination Procedures

- (a) General Procedures. A Customer, Pool Operator, or Customer's or Pool Operator's designee, shall submit to MRT prior to the applicable nomination deadline an electronically communicated nomination, unless MRT otherwise agrees or emergency events prevent such electronic communication, containing all data elements required by NAESB Standards including the following information:
  - (i) Contract Number;
  - (ii) Customer's or Pool Operator's name and nomination representative;
  - (iii) Nomination representative's telephone and facsimile number and e-mail address;
  - (iv) On-behalf-of entity (if transportation is to be performed pursuant to Subpart B);
  - (v) The quantities to be received in Dth per day by Receipt or Pool Location Code and the quantities to be delivered in Dth per day by Delivery or Pool Location Code for each contract and the effective dates of such quantities; and
  - (vi) The appropriate Fuel Use and LUFG deductions.
  - (vii) All nominations should include Customer defined begin dates and end dates. All nominations excluding intraday nominations should have roll-over options. Specifically, Customers should have the ability to nominate for several days, months, or years, provided the nomination begin and end dates are within the term of the Customer's contract.
  - (viii) All nominations, including intraday nominations, should be based on a daily quantity; thus, an intraday nominator need not submit an hourly nomination. Intraday nominations should include an effective date and time. The interconnected parties should agree on the hourly flows of the intraday nomination, if not otherwise addressed in MRT's contract or tariff.
  - (ix) Quantities nominated at receipt points, less Fuel Use and LUFG, shall equal the nominated quantities at delivery points under a Service Agreement.

- (b) The Receipt and Delivery Location Codes are provided to Customers and Pool Operators on MRT's Internet web site or in MRT's gas management system.
- (c) If an upstream or downstream party requires additional information or additional information is otherwise required by MRT, upon notification by MRT, Customer or Pool Operator must provide such additional information as specified by MRT.
- (d) A separate nomination shall be submitted to MRT for each Delivery Location and Service Agreement. Once a nomination, excluding intraday nominations, has been submitted by a Customer or a Pool Operator and accepted and confirmed by MRT, such nomination shall remain in effect until the end date set forth in the nomination unless changed pursuant to the provisions of this Section 8. If an end date is not provided, the nomination end date, except for intraday nominations, will default to the last day of the month in which the nomination begin date occurs.
- (e) Transfer Nominations. MRT accommodates TTT on its system via the procedures specified in this Section 8.1(e). Other than processing valid nominations to reflect the in-place transfer of gas, MRT shall be required to provide no accounting services relating to TTT.
  - (i) Whenever gas is purchased or sold at a receipt point on MRT's system, including storage withdrawals and pooling point(s), by an entity that is not nominating the gas for receipt by MRT under a Service Agreement, that entity must submit a transfer nomination to MRT, which identifies the Dth quantities, the entities from whom the gas is being bought, and the entities to whom the gas is being sold. Transfer nominations must be received by MRT on or before the applicable deadlines for Customer and Pool Operator nominations. If there is more than one entity receiving gas from a transfer nomination, the predetermined allocation methodology to be utilized for those gas deliveries will be pro rata based upon quantities specified in the transfer nomination, unless another methodology has been agreed upon. MRT shall have the right to require entities submitting transfer nominations to MRT to enter into an agreement outlining such entities' responsibilities.
  - (ii) A party desiring to provide TTT services which arise from or terminate with activity on MRT's system shall do so as authorized agent for the entities transferring title. If any of such entities are Customers or Pool Operators, such 3PAD shall be required to enter into an agency agreement in MRT's then current form, among the Customer or Pool Operator, MRT and the 3PAD.
- (f) Nomination Deadlines.

- (i) MRT provides the following standard nomination cycles (all times CT):
  - (A) Timely Nomination Cycle: The standard nominations timeline should be as follows: 1:00 p.m. for nominations leaving control of the nominating party; 1:15 p.m. for receipt of nominations by MRT (including from TTTSPs), 1:30 p.m. for quick response; 4:30 p.m. for receipt of completed confirmations by MRT from upstream and downstream connected parties; 5:00 p.m. for receipt of scheduled quantities by Customer and point operator (central clock time on the day prior to flow).
  - (B) Evening Nomination Cycle: On the day prior to flow: 6:00 p.m. for nominations leaving control of the nominating party; 6:15 p.m. for receipt of nominations by MRT (including from TTTSPs); 6:30 p.m. to send quick response; 8:30 p.m. for receipt of completed confirmations by MRT from upstream and downstream connected parties; 9:00 p.m. for MRT to provide scheduled quantities to affected Customers and point operators, including notice to bumped Customers. Scheduled quantities resulting from a nomination pursuant to this Section 8.1(f)(i)(B) will be effective at 9:00 a.m. on the day of flow.
  - (C) Intraday 1 Nomination Cycle: On the day of flow: 10:00 a.m. for nominations leaving control of the nominating party; 10:15 a.m. for receipt of nominations by MRT (including from TTTSPs); 10:30 a.m. to send quick response; 12:30 p.m. for receipt of completed confirmations by MRT from upstream and downstream connected parties; 1:00 p.m. for MRT to provide scheduled quantities to affected Customers and point operators, including notice to bumped Customers. Scheduled quantities resulting from intraday nominations pursuant to this Section 8.1(f)(i)(C) will be effective at 2:00 p.m. on the day of flow.
  - (D) Intraday 2 Nomination Cycle: On the day of flow: 2:30 p.m. for nominations leaving control of the nominating party; 2:45 p.m. for receipt of nominations by MRT (including from TTTSPs); 3:00 p.m. to send quick response; 5:00 p.m. for receipt of completed confirmation by MRT from upstream and downstream connected parties; 5:30 p.m. for MRT to provide scheduled quantities to affected Customers and point operators. Scheduled quantities resulting from Intraday 2 Nominations will be effective at 6:00 p.m. on the day of flow.

- (E) Intraday 3 Nomination Cycle: On the day of flow: 7:00 p.m. for nominations leaving control of the nominating party; 7:15 p.m. for receipt of nominations by MRT (including from TTTSPs); 7:30 p.m. to send quick response; 9:30 p.m. for receipt of completed confirmation by MRT from upstream and downstream connected parties; 10:00 p.m. for MRT to provide scheduled quantities to affected Customers and point operators. Scheduled quantities resulting from Intraday 3 Nominations will be effective at 10:00 p.m. on the day of flow. Bumping shall not occur due to intraday nominations pursuant to this Section 8.1(f)(i)(E).
- (F) For purposes of NAESB WGQ Standard No. 1.3.2 ii, iii, and iv (Section 8.1(f)(i)(B)(E) above), “provide” shall mean for transmittals pursuant to Standards 1.4x (electronic data interchange) receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

The quick response by MRT will be an electronic message to those parties submitting nominations electronically advising of receipt of the nomination and of any errors in communication or missing required data elements.

- (ii) All nominations should be considered original nominations and should be replaced to be changed. 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.
- (iii) Nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline.
- (iv) Incomplete or Late Nominations. A Customer's or Pool Operator's failure to submit properly completed nominations may result in gas not being transported, pooled, or injected or withdrawn from storage. A Customer's or Pool Operator's failure to submit a nomination by the applicable deadline may result in delays for the requested service. Late nominations will not be accepted if such acceptance would result in the curtailment of gas previously scheduled, unless MRT and all affected parties agree to the contrary.
- (g) Intraday Nominations. Any nomination submitted after the nomination deadline for the day of gas flow specified in Section 8.1(f)(i)(A) herein shall be treated as an intraday nomination. For services that provide for intraday nominations and

scheduling, there will be no limitation as to the number of intraday nominations (line items as per NAESB Standard 1.2.1) which a Customer or Pool Operator may submit at any one standard nomination cycle or in total across all nomination cycles. An intraday nomination is effective only for the day specified in the nomination, must be submitted by the applicable deadline set forth in Section 8.1 (f)(i) above, and remains in effect through the end of such day.

- (i) Intraday nominations can be used to nominate new supply or market or to request increases or decreases in total flow, changes to receipt points, or changes to delivery points of scheduled gas.
- (ii) Intraday nominations do not rollover (i.e., intraday nominations span one (1) day only). Intraday nominations do not replace the remainder of a standing nomination. There is no need to re-nominate if intraday nomination modifies an existing nomination.
- (iii) MRT will give scheduling priority to service under Rate Schedule NNT and intraday nominations submitted by firm Customers over nominated and scheduled and/or flowing quantities for interruptible Customers. Otherwise, MRT will not accept or confirm an intraday nomination that would result in a change to any other Customer's or Pool Operator's scheduled and flowing quantities for that day without their prior consent. MRT will provide advance notice using the mechanisms provided for in Section 9.6 below for notifying Customers of OFOs to interruptible Customers of reductions in scheduled and/or flowing quantities resulting from intraday nominations by firm Customers in accordance with Section 8.1(f)(i) above. MRT will notify any such interruptible Customer if any penalties will apply on the day its scheduled and/or flowing quantities are reduced. If MRT does not notify an interruptible Customer in advance of reductions in scheduled and/or flowing quantities due to an intraday nomination by a firm Customer, no penalties will be imposed by MRT on such interruptible Customer for the day of the reduction. No penalties other than penalties assessed during periods in which OFOs and/or curtailment orders are in effect will be imposed by MRT on interruptible Customers whose scheduled and/or flowing quantities were reduced due to firm Customers' intraday nominations.
- (iv) Intraday nominations submitted on the day prior to gas flow, if scheduled, will take effect at the start of the next gas day, 9:00 a.m. central clock time.
- (h) **Nomination Confirmation.** MRT shall contact the appropriate upstream and downstream parties to confirm the nominated quantities.
  - (i) **Confirmation of Nominations.** Unless the Confirming Parties have agreed to Confirmation by Exception, after the nomination deadline for a cycle



that has passed MRT will contact the upstream pipeline or point operator for confirmation of gas deliveries to MRT, and the downstream pipeline or point operator for confirmation of gas receipts from MRT. The confirmation process will be completed between MRT and the appropriate pipeline or point operator by the times provided in Section 8.1(f)(i). MRT will make available to Customers, Pool Operators and point operators by the times provided in Section 8.1(f)(i) all scheduled and confirmed quantities. At a receipt or delivery point, unless MRT and the appropriate pipeline or point operator agree otherwise, the following shall be the confirmed quantities:

- (A) For nominations submitted pursuant to Section 8.1(f)(i)(A) above, and for intraday nominations (including nominations pursuant to Section 8.1(f)(i)(B), (C), and (D) above) which are increases, the lesser of rule (confirmed or nominated flow) applies when confirming.
- (B) For nominations submitted during the nomination cycle described in Section 8.1(f)(i)(A) above, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response the lesser of the new nomination or previously scheduled quantity applies.
- (C) For nominations for increases submitted during the nomination cycles pursuant to Sections 8.1(f)(i)(B), (C), (D), and (E) above, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the scheduled quantity for the previous nomination cycle for the subject Gas Day should be the new confirmed quantity.
- (D) For intraday nominations and nominations pursuant to Section 8.1(f)(i)(B), (C), (D), and (E) above which are decreases, the lesser of rule (confirmed or nominated flow) applies when confirming, but in any event no less than the elapsed-prorated- scheduled quantity shall be confirmed.
- (E) For intraday nominations and nominations pursuant to Section 8.1(f)(i)(B), (C), (D), and (E) above which are decreases, if there is no response to a Request for Confirmation or an unsolicited Confirmation Response, the greater of the nominated quantity or the elapsed-prorated-scheduled quantity shall be confirmed.
- (F) If there is no response to a Request for Confirmation or an unsolicited Confirmation Response, MRT will provide the nominating party with the following information as part of the

documentation of the scheduled quantity to explain why the nomination failed, as applicable:

- (1) MRT did not conduct the confirmation;
  - (2) The upstream confirming party did not conduct the confirmation;
  - (3) The upstream service requester did not have the gas or submit the nomination;
  - (4) The downstream confirming party did not conduct the confirmation; and
  - (5) The downstream service requester did not have the market or submit the nomination.
- (ii) Nomination Changes Due to Daily Imbalances. Customers, Pool Operators, and Parties to Operational Balancing Agreements with MRT are responsible for ensuring that daily flows match confirmed nominations. If MRT determines that actual daily flows under a particular agreement differ from the confirmed nominations, MRT may require prospective nomination changes by receipt or delivery point(s) in order to balance agreements as closely as possible.
- (iii) At the end of each gas flow day, MRT shall make available electronically via the Internet to Customers and Pool Operators information containing scheduled quantities, including scheduled intraday nominations and any other scheduling changes.
- (i) Curtailment and Interruptions in Service. MRT shall notify Customer(s) and Pool Operator(s) affected by interruptions in service or curtailment pursuant to Section 8.3 of these General Terms and Conditions as soon as practicable. MRT shall also notify the affected Customer(s) or Pool Operator(s) as soon as practicable of the resumption of service, and upon such notification, the Customer or Pool Operator shall verify the level of service desired. MRT may require a Customer or Pool Operator to submit a completed nomination specifying the level of service desired. MRT may provide such notices to Customers and Pool Operators electronically via the Internet.

## 8.2 Scheduling Procedures

- (a) Storage services will be scheduled in the following order, from highest to lowest priority:

- (i) Firm storage injections and withdrawals consistent with the requirements set forth in Rate Schedule FSS.
  - (ii) Interruptible and overrun storage service from highest to lowest rate. In the event there is insufficient capacity or daily storage deliverability to schedule all such services at the same rate, MRT shall allocate the available capacity or daily storage deliverability pro rata based upon confirmed nominations.
- (b) Definitions
  - (i) The term "Line Priority" shall mean the quantities on a particular line within a rate zone (West Line, Main Line/Field Zone, Main Line/Market Zone or East Line) for receipts, or the sum of a Customer's Primary Delivery Point quantities on a particular line within a rate zone for deliveries, excluding any quantities related to storage, pursuant to the Service Agreement being utilized, as adjusted to reflect any released capacity.
  - (ii) The term "Rate Zone Capacity" shall mean the maximum amount of firm capacity a Customer has contracted for in a particular rate zone on MRT's system pursuant to Customer's Service Agreement. For scheduling purposes, Rate Zone Capacity will be adjusted to reflect any released capacity.
  - (iii) The term "Line Capacity" (West Line, Main Line, or East Line) shall mean the total amount of capacity a Customer has contracted for on a particular line based on its Primary Path pursuant to the Service Agreement being utilized, as adjusted to reflect any released capacity consistent with the terms of a temporary release. The Line Capacity on the West Line for a Customer with a forward-haul Primary Path that includes Primary Receipt Point(s) on the West Line shall be based on a pro rata share, specified in its Service Agreement, of the total daily amount of available capacity on the West Line; provided however, that a Customer's total amount of Line Capacity on the West Line shall not exceed its Rate Zone Capacity in the Field Zone.
- (c) Transportation services other than storage services scheduled in accordance with Section 8.2(a) will be scheduled in the following order, from highest to lowest priority:
  - (i) All firm services, in the following order, from highest to lowest priority:
    - (A) All firm services utilizing receipt and delivery points within the Customer's Primary Path (for purposes hereof, primary points within the Reticulated System are deemed to be within the Primary

Path and of equal priority), Line Priority and Rate Zone Capacity, in the following order:

- (1) Firm services utilizing Primary Receipt Points for redelivery to Primary Delivery Points;
- (2) Firm services utilizing Secondary Receipt Points for redelivery to Primary Delivery Points;
- (3) Firm services utilizing Primary Receipt Points for redelivery to Secondary Delivery Points; and
- (4) Firm services utilizing secondary receipt points for redelivery to secondary delivery points.

However, if there is insufficient capacity available to schedule all service within a subcategory in category (A) due to a constraint other than at a receipt or delivery point, all Customers affected by such constraint within that subcategory of category (A) will be scheduled equally, on a pro rata basis based upon Line Priority. Constraints at receipt or delivery points shall be scheduled in accordance with Section 8.2(d) below.

- (B) All firm services utilizing receipt and delivery points within the Customer's Line Priority and Rate Zone Capacity, and flowing gas in the same direction as the Customer's Primary Path, not included in category (A) above, in the order set out in subcategories (A)(2) through (A)(4);
  - (C) All firm services utilizing receipt and delivery points within the Customer's Rate Zone Capacity, and flowing gas in the same direction as the Customer's Primary Path, not included in categories (A) and (B) above, in the order set out in subcategories (A)(2) through (A)(4); and
  - (D) All firm services utilizing receipt and delivery points not included in categories (A), (B) and (C) above.
- (ii) Secondary transactions which would otherwise fall within scheduling category (B) or (C) above but for the reversal of flow direction, shall continue to be scheduled within such category or applicable subcategory if, and to the extent that, such reverse flow from the Primary Path creates capacity or relieves constraints. In the event there is insufficient capacity available to schedule all firm service within a subcategory in category (A) or categories (B), (C), or (D) above, all firm Customers within that subcategory

or category will be scheduled on a pro rata basis based upon Line Priority and to the extent two or more of such firm Customers have Line Priority equal to zero (0), such firm Customers will be scheduled, as between each other, on a pro rata basis based upon Rate Zone Capacity; provided, however, if a Releasing Customer creates a Secondary Path for a Replacement Customer, the Replacement Customer's nomination to utilize points within such Secondary Path shall have priority over a nomination to use points within the same path by the Releasing Customer.

- (iii) Customers may utilize primary points in excess of individual primary point capacity only on a secondary point basis. Scheduled Quantities exceeding Rate Zone Capacity (as defined in Section 8.2(b)(ii) of the General Terms and Conditions) shall be considered authorized overrun volumes.
  - (iv) All interruptible and authorized overrun services in the following order, from highest to lowest priority:
    - (A) MRT shall first schedule interruptible and authorized overrun services for which the maximum rate is to be paid.
    - (B) MRT shall next schedule discounted interruptible and authorized overrun services based on the rate to be paid, from highest to lowest, with service for which the highest rate is to be paid scheduled first.
  - (v) In the event there is insufficient capacity to schedule all interruptible and authorized overrun services at the same rate, MRT shall allocate the available capacity pro rata based upon confirmed nominations.
- (d) When the constraint occurs only at a point and/or associated facilities, properly submitted and confirmed nominations for firm service at primary points shall have priority over firm service at secondary points. If there is insufficient point capacity available within a category, all Customers affected within a category will be scheduled equally, on a pro rata basis, based upon nominations. MRT shall notify any Customer whose service is to be interrupted pursuant to this provision no later than 4:30 p.m. CT on the day before the day on which such higher priority service is to commence. However, if in order to provide No Notice Transportation service pursuant to the terms and conditions of Rate Schedule NNT, MRT is required to interrupt a lower priority of service, MRT shall notify any Customer whose service is to be interrupted as soon as is reasonably practicable. MRT may provide such notifications to Customers electronically via the Internet.
- (e) Firm secondary point scheduled quantities within MDQ plus applicable fuel shall not be interrupted during the day as a result of subsequent nominations by firm Customers desiring to utilize such points as secondary points.

- (f) Previously scheduled interruptible and AOR service will not be interrupted during the day in order to provide service for a higher priority interruptible or AOR service pursuant to an intraday nomination.
- (g) Nominations to make up imbalance quantities may be denied if all other services cannot be scheduled.
- (h) Customers utilizing capacity within the Primary Path through the capacity release program pursuant to Section 14 of these General Terms and Conditions shall have their transactions scheduled according to the priority of the Releasing Customer's Service Agreement (i.e., Section 8.2(c)(i)(A)), and Customers utilizing a Secondary Path shall have their transactions scheduled pursuant to Section 8.2(c)(i)(B)-(D), as applicable.
- (i) Deliveries out of a pool, except Pool Transfers, will be prioritized for scheduling purposes pursuant to Section 8.2(c) herein as a Secondary Receipt Point and as if the pool were an actual receipt point. ~~The scheduling of deliveries into a pool, except Pool Transfers, will be based on the applicable downstream Service Agreement's priorities~~ prioritized for scheduling purposes on an interruptible basis.
- (j) If a Customer nominates receipts from more than one pool and a conflict arises as to which pool receives the Customer's higher scheduling priority, then the Customer's priority shall be prorated between or among the affected pools.
- (k) MRT shall redetermine the priority of each Customer and Pool Operator under Section 8.2 and reallocate capacity hereunder on a periodic basis as is necessary for MRT to recognize the priority of new Customers and Pool Operators or to reflect any changes in the priorities of existing Customers and Pool Operators, to assure service to its firm Customers, and to accommodate the operational requirements of the system.
- (l) MRT shall have the unqualified right to interrupt Transportation Services, Storage Services, or both at any time under MRT's interruptible rate schedules to provide service under MRT's firm rate schedules pursuant to a properly submitted nomination or under Rate Schedule NNT. MRT will give scheduling priority to service under Rate Schedule NNT and intraday nominations submitted by firm Customers over nominated and scheduled and/or flowing quantities for interruptible Customers. MRT shall interrupt interruptible and authorized overrun quantities in sequence pursuant to the priorities specified in Section 8.2 herein, from lowest to highest priority. MRT shall notify any Customer whose service is to be interrupted pursuant to this provision in accordance with Section 8.1(f)(i) above. However, if, in order to provide No Notice Transportation service pursuant to the terms and conditions of Rate Schedule NNT, MRT is required to interrupt a lower priority service, MRT shall notify any Customer whose service is to be interrupted

as soon as is reasonably practicable. MRT may provide such notifications to Customers electronically via the Internet.

- (m) In making reductions in nominated quantities during the scheduling process, MRT will use Customer or Pool Operator provided rankings for service under its Service Agreement if not in conflict with the priorities set forth in Section 8 of these General Terms and Conditions.
- (n) For nominations pursuant to the cycle described in Section 8.1(f)(i)(A) above, MRT will complete the scheduling process and provide information on scheduled quantities by 4:30 p.m. CT on the day prior to gas flow.
- (o) In addition to the foregoing, the scheduling, allocation and curtailment of capacity pursuant to this Section 8 shall conform to the provisions of Section 19.2 governing the negotiated and recourse rates.

### 8.3 Curtailment Procedures

- (a) MRT shall have the right to curtail or discontinue tariff services or both in whole or in part on all or a portion of its system at any time for reasons of force majeure or when in MRT's sole judgment reasonably exercised, capacity or operating conditions so require. MRT shall provide Customers such notice of the curtailment as is reasonable under the circumstances. MRT may provide such notifications to Customers electronically via the Internet.
- (b) If the conditions or event which caused the interruption or curtailment are anticipated to continue, scheduling of service pursuant to Section 8.2(c) shall be implemented to the extent required in conformity with the provisions of this section.
- (c) In the event of a curtailment pursuant to Section 8.3(a) above, interruptible and authorized overrun services shall be curtailed first. Interruptible and authorized overrun services shall be curtailed from lowest to highest rate. Interruptible and authorized overrun Customers may elect to waive discounts during curtailments; any such election shall be reflected in any discount agreement between MRT and the Customer. Interruptible and authorized overrun services at maximum rate shall be curtailed after all discounted interruptible and authorized overrun services have been curtailed. In the event that interruptible and authorized overrun service at the same rate must be curtailed, service shall be curtailed pro rata based on confirmed nominations. Following the curtailment of all interruptible and authorized overrun transportation services, firm transportation service shall be curtailed pro rata based on each Customer's MDQ in each zone. Firm Customers utilizing secondary receipt points without Line Priority will be curtailed before such Customers with Line Priority. Following the curtailment of all interruptible and authorized overrun storage withdrawals, firm storage withdrawals shall be

curtailed pro rata based on each Customer's current maximum daily deliverability. Following the curtailment of all interruptible and authorized overrun storage injections, firm storage injections will be curtailed pro rata based on contracted storage capacity.

- (d) All volumes received and/or taken in violation of MRT's curtailment or interruption orders shall constitute unauthorized receipts or deliveries of gas for which a charge of \$20.00 per Dth shall be assessed in addition to any other applicable rate, charge or penalty. Such charge shall be applicable to all such unauthorized receipts and deliveries following notification of curtailment or interruption, in violation of curtailment or interruption orders issued by MRT, which orders may be given by telephone, confirmed by facsimile transmission or any other reasonable means.
- (e) Notices and Indemnification

MRT shall have the responsibility to inform only its Customers and the immediate upstream or downstream facility operators involved in a transaction of any curtailment or interruption. Curtailed Customers shall indemnify MRT against and hold MRT harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by MRT, which shall include any curtailment or interruptions described in any part of this section; provided, however, Customers shall not be required to indemnify MRT for any damages resulting from MRT's negligence or willful misconduct.

#### 8.4 Emergency Reallocation

- (a) In the event an emergency situation, including an environmental emergency, should arise in which supplemental deliveries of gas are required in order to serve human needs or avoid substantial damage to property, MRT shall have the right to reallocate capacity and/or divert gas supplies to forestall the emergency upon receipt of verified proof that such an emergency exists, provided the aggregate of MRT's deliveries to any Customer shall not exceed the Customer's authorized MDQ. Only Customers subscribing to MRT's FSS and FTS or SCT shall be eligible to declare such an emergency.
- (b) A Customer declaring an emergency situation pursuant to this section must supply an affidavit executed by an officer or other person authorized to bind the Customer stating:
  - (i) An emergency exists and diversion of supplies or reallocation of capacity is necessary to serve human needs or avoid substantial damage to property. A description of the emergency and the Customer's estimate of its duration should be included;



- (ii) The Customer has exhausted all available alternatives to avert the emergency;
  - (iii) The Customer has curtailed its use or distribution of gas other than that necessary to serve human needs or avoid substantial damage to property; and
  - (iv) The Customer shall indemnify MRT against damages resulting from the diversion of supplies or reallocation of capacity to meet the emergency; provided, however, Customers shall not be required to indemnify MRT for any damages resulting from MRT's negligence or willful misconduct.
- (c) Within thirty (30) days of the termination of the emergency, the Customer declaring the emergency must provide MRT a complete explanation of the emergency, and a description of the steps it is taking to prevent a similar occurrence in the future. MRT may require Customers to provide such explanations via the Internet.
- (d) Where a Customer's declaration of an emergency results in the diversion of gas supplies, the Customer shall pay MRT \$10 per Dth for the diverted supplies, which MRT will credit to the Customers whose supplies were diverted.
- (e) Where a Customer's declaration of an emergency results in the reallocation of capacity, the Customer shall pay MRT \$5 per Dth per day for the reallocated capacity which MRT will credit to the Customers whose capacity was reallocated.
- (f) MRT shall not be liable for any damages resulting from the reallocation of capacity or diversion of supplies based upon information supplied in a Customer's affidavit under the terms of this section. A Customer which declares an emergency under this section shall be liable for any damages suffered by another Customer whose capacity is reallocated or whose gas supplies are diverted, to the extent such damages exceed the payment made by the Customer that declares the emergency.
- (g) Customers are encouraged to enter into voluntary emergency reallocation and diversion agreements in the form set forth in this tariff. Such agreements must be filed with MRT on or before October 1 and have an effective date of the following November 1. Each agreement shall remain effective for the period specified in the agreement. If no such voluntary agreement is applicable to an emergency reallocation or diversion, MRT will reallocate capacity and divert gas supplies pro rata from all Customers whose capacity or gas supplies may be used to resolve the emergency; however, MRT will not reallocate capacity or divert gas supplies when the affected Customer furnishes an affidavit certifying that such reallocation or diversion will cause another emergency situation pursuant to this section.