



Nautilus Pipeline Company, L.L.C.
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October 22, 2020

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: *Nautilus Pipeline Company, L.L.C.*, Docket No. RP21-____-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act¹ and Section 154.204 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”) promulgated thereunder,² Nautilus Pipeline Company, L.L.C. (“Nautilus”) hereby submits for filing as part of its FERC Gas Tariff, Second Revised Volume No. 1 (“Tariff”), its FERC Gas Tariff, Filed Agreements (“Filed Agreements Tariff”), and its FERC Gas Tariff, Statements of Negotiated Rates (“Statements of Negotiated Rates”), the tariff records listed in Appendix A to be effective on November 23, 2020.

STATEMENT OF NATURE, REASONS AND BASIS

By this filing, Nautilus is modifying its Tariff to reflect changes to the way its electronic bulletin board system is accessed and modifying its Tariff, its Filed Agreements Tariff, and the Statements of Negotiated Rates to reflect various administrative changes.

As the result of the Spectra Energy and Enbridge merger, which was completed on February 17, 2017, Spectra Energy, LLC (formerly known as Spectra Energy Corp) is now an indirect, wholly owned subsidiary of Enbridge Inc. Nautilus and its shippers conduct their daily business activities using the LINK® Customer Interface System (“LINK® System”). On September 19, 2020, the Uniform Resource Locator (“URL”) for the LINK® System was converted from link.spectraenergy.com to link.enbridge.com. As such, Nautilus is making the following modifications to its Tariff to reflect various changes resulting from the URL conversion:

- (1) Updating Part 3 of the Tariff to reflect the updated URL from which Nautilus’s system map can be accessed;
- (2) Updating the definition for “Internet Website” and “Website” in Section 2 of the General Terms and Conditions (“GT&C”) of the Tariff; and
- (3) Updating the mail server portion of the link-help email address in GT&C Sections 21.4(e), 22.9(b)(5), and 22.10.

¹ 15 U.S.C. § 717c (2018).

² 18 C.F.R. § 154.204 (2020).

The current URL of link.spectraenergy.com will continue to function for several months to allow users time to adjust, trading partner relationships to be updated, and regulatory filings by Nautilus and its affiliated pipelines to be made.

In addition, Nautilus is modifying the title pages of its Tariff, its Filed Agreements Tariff, and the Statements of Negotiated Rates, to update the name and contact information for the person to whom communications regarding each should be directed.

PROPOSED EFFECTIVE DATE

Nautilus proposes that the tariff records filed herein become effective on November 23, 2020. Nautilus respectfully requests any waivers that may be required for the Commission to accept the tariff records filed herein to become effective as proposed.

IMPLEMENTATION

Pursuant to Section 154.7(a)(9) of the Commission's regulations, 18 C.F.R. § 154.7(a)(9), Nautilus files this motion to place the revised tariff records filed herein into effect at the expiration of any suspension period set by the Commission, provided that the tariff changes are approved as filed and without condition. In the event that tariff records filed herewith are not approved as filed and without condition, Nautilus reserves the right to file a motion at a later date to place such tariff records into effect.

COMPLIANCE WITH REGULATIONS

In compliance with Section 154.4(c) of the Commission's regulations, 18 C.F.R. § 154.4(c), all contents of this filing are being submitted as part of an XML filing package in conformance with the Secretary of the Commission's instructions.

In compliance with Section 154.201(a) of the Commission's regulations, 18 C.F.R. § 154.201(a), a marked version of the proposed tariff records showing additions to and deletions from the currently effective tariff records is attached.

Copies of this filing are being posted in accordance with Section 154.207 of the Commission's regulations, 18 C.F.R. § 154.207. In accordance with Section 154.208 of the Commission's regulations, 18 C.F.R. § 154.208, copies of this filing are being served electronically on Nautilus's customers and interested state commissions. A paper copy of this filing may only be served if a customer or state commission has been granted a waiver of electronic service pursuant to Part 390 of the Commission's regulations, 18 C.F.R. Pt. 390.

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CORRESPONDENCE AND COMMUNICATION

All correspondence and communications regarding this filing should be addressed to the following:

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and

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* Parties to be designated on the Commission's Official Service List.

Please contact the undersigned at (713) 627-5113 with any questions regarding this filing.

Respectfully submitted,

/s/ Christopher Harvey

Christopher Harvey, Director
Regulatory

Enclosures

NAUTILUS PIPELINE COMPANY, L.L.C.

APPENDIX A

Second Revised Volume No. 1

<u>Version</u>	<u>Section (Description & Title)</u>	
1.0.0	Tariff	Second Revised Volume No. 1
2.0.0	Part 3	System Map
	<i>Part 6 – General Terms and Conditions</i>	
3.0.0	2.	Definitions
2.0.0	21.	Electronic Communication
3.0.0	22.	Shippers' Release of Firm Capacity

Filed Agreements Tariff

<u>Version</u>	<u>Section (Description & Title)</u>	
1.0.0	Tariff	Filed Agreements

Statements of Negotiated Rates

<u>Version</u>	<u>Section (Description & Title)</u>	
1.0.0	Tariff	Statements of Negotiated Rates

FERC GAS TARIFF

Second Revised Volume No. 1

Superseding

First Revised Volume No. 1

of

NAUTILUS PIPELINE COMPANY, L.L.C.

filed with

FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff should be addressed to:

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SYSTEM MAP

The System Map can be viewed and/or downloaded at:

<https://linkwc.enbridge.com/SystemMaps/NPCSystemMap.pdf>

2. DEFINITIONS

The following terms, when used herein or in any Rate Schedule contained in this Tariff or in any executed Service Agreement for service under a Rate Schedule contained in this Tariff, have the following meanings:

“Administrator” means the party designated by the Principals to act on their behalf under a Multiple Shipper Option Agreement.

"Affiliate" means any Person which controls, is controlled by, or is under common control with such Person.

“Authorized Overrun” means the quantity of gas scheduled on any Day, with the advance approval of Transporter, for delivery under Shipper’s Service Agreement(s) in excess of the applicable Maximum Daily Transportation Quantity under Shipper’s applicable Service Agreement(s).

“Bid Period” means the length of time commencing with the posting of an Offer, pursuant to GT&C Section 22.6(c), and terminating 10:00 am CCT on a Business Day.

"British thermal unit" and "Btu" means the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 psia.

"Bumping" means that a shipper with a higher priority transportation service level will displace previously scheduled volumes of a lower priority transportation service level.

"Business Day" means Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S. and similar holidays for transactions occurring in Canada and Mexico.

“Capacity Release Umbrella Agreement” means an agreement executed pursuant to Section 22.8(a) of the GT&C of Transporter’s Tariff.

"Central Clock Time" or "CCT" means central daylight time when daylight savings time is in effect and central standard time when daylight savings time is not in effect.

"Commission" or "FERC" means the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction over Transporter under the Natural Gas Act or supervening legislation.

"Contract Quarter" means each of the periods determined as follows:

1. with respect to the first Contract Quarter of the first Contract Year, a period commencing on the initial delivery date and ending on the first to occur of

March 31, June 30, September 30, or December 31 after such initial delivery date, and

2. with respect to the second and each Contract Quarter thereafter, the calendar quarter succeeding the immediately preceding Contract Quarter.

"Contract Year" means the following:

1. with respect to the first Contract Year, a period beginning on the initial delivery date and ending on the December 31 first occurring after such initial delivery date, and
2. with respect to the second and each Contract Year thereafter, the calendar year succeeding the immediately preceding Contract Year.

"Cubic Foot" means the volume of Natural Gas which occupies one (1) cubic foot of space, measured according to Boyle's and Charles' Laws for the measurement of Natural Gas under varying pressures with deviation therefrom as provided in Section 5 hereof and on the measurement basis likewise specified in Section 5 hereof.

"Date of Commencement of Service" means the date on which Transporter is ready, willing and able to provide service and all contractual and regulatory conditions enabling service to commence have been satisfied.

"Day" or "Gas Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 a.m. CCT.

"Delivery Period" means the period(s) of time specified in an Exhibit to Shipper's FT-2 or FT-3 Service Agreement, as applicable, and shall be no less than three (3) consecutive calendar months.

"Dekatherm" or "Dth" means the quantity of heat energy which is equivalent to 1,000,000 British thermal units. One "Dekatherm" of Gas means the quantity of gas which contains one dekatherm of heat energy. One "Dekatherm" of Gas equals one "MMBtu," which means one million British thermal units.

"Discount Confirmation" means an electronic mail (email) message sent by Transporter to Shipper to confirm the terms of the discount granted pursuant to GT&C Section 27.1.

"Elapsed-prorated-scheduled Quantity" means that portion of the Scheduled Quantity that would have theoretically flowed up to the effective time of the Intraday Nomination being confirmed, based upon a cumulative uniform hourly quantity for each Nomination Period affected.

"Electronic Notice Delivery" means the description of the delivery of notices via Internet Email and/or EDI/EDM.

"GT&C" means the General Terms and Conditions of Transporter's Tariff, as revised and effective from time to time.

"Internet Website" or "Website" means Transporter's HTML site accessible via the Internet's World Wide Web located at <https://link.enbridge.com>.

"Lease(s)" means any oil, Natural Gas or mineral lease(s) in which Shipper holds rights to Natural Gas, which is committed to Transporter under a Rate Schedule FT-2 or FT-3 Service Agreement.

"Leasehold Interest(s)" means any right, title or interest acquired by Shipper or any Affiliate of Shipper in and under any Lease or any other interest in oil, Natural Gas or other minerals covering or relating to Field(s) identified on Exhibit "A" to Shipper's Rate Schedule FT-2 or FT-3 Service Agreement, including, without limitation, interests under farm-in or farm-out agreements, exploration agreements, production-sharing agreements and other contractual rights but specifically excluding mere rights to the proceeds of production, including, without limitation, overriding royalty interests.

"LINK® System" means the LINK® Customer Interface System.

"LINK® System Subscriber" means any entity, whether or not a Shipper, which has agreed to comply with the procedure for access to the LINK® System, as more fully set forth in GT&C Section 21.

"Maximum Daily Delivery Quantity" or "MDDQ" means the maximum daily quantity of gas in Dth that Transporter agrees to deliver to or for the account of Shipper at each Point of Delivery on each Day during the term of Shipper's Service Agreement, as set forth on Exhibit A or Exhibit B, as applicable, to the Service Agreement.

"Maximum Daily Receipt Quantity" or "MDRQ" means the maximum daily quantity of gas in Dth that Transporter agrees to receive from or for the account for Shipper at each Point of Receipt on each Day during the term of Shipper's Service Agreement, as set forth on Exhibit A or Exhibit B, as applicable, to the Service Agreement.

"Maximum Daily Transportation Quantity" or "MDTQ" means the maximum daily quantity of Natural Gas that Transporter is required to transport for Shipper or for the account of Shipper on each Day during the term of Shipper's Service Agreement.

"Month" means the period beginning at 9:00 a.m. CCT on the first Day of the calendar month and ending 9:00 a.m. CCT on the first Day of the next succeeding calendar month.

"Multiple Shipper Option Agreement" means the Agreement, as set forth in the Forms of Service, executed by multiple Principals as Shipper with a designated Administrator.

"NAESB" means the North American Energy Standards Board.

"NAESB Standard" means the standards issued by NAESB and adopted by the Federal Energy Regulatory Commission.

"Natural Gas" means any mixture of hydrocarbons, consisting essentially of methane, other hydrocarbons and inert or noncombustible gases which are extracted from the subsurface of the earth in their natural state meeting the quality and pressure specifications set forth in Sections 3 and 4 hereof.

"Negotiated Rate(s)" means a rate provision under which Transporter and Shipper have agreed, pursuant to GT&C Section 40, on the amount to be charged for the service under Rate Schedule FT-1, FT-2, FT-3, PSH or IT-1 which results in a rate (including but not limited to Transporter Use Gas) where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate (including but not limited to in the form of surcharges, credits, refunds or return of credits or refunds).

"Negotiated Rate Formula" means a rate formula provision under which Transporter and Shipper have agreed, pursuant to GT&C Section 40, will be applied to service under Rate Schedule FT-1, FT-2, FT-3, PSH or IT-1 which results in a rate (including but not limited to Transporter Use Gas) where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate (including but not limited to in the form of surcharges, credits, refunds or return of credits or refunds).

"New Facilities" means those facilities constructed at Shipper's request in order for Transporter to provide the transportation service(s) that a Shipper requests via the LINK® System.

"Nomination Period" means a period of time a Shipper includes in a nomination for gas services.

"Operational Balancing Agreement" or "OBA" means a contract between two parties which specifies the procedures to manage operating variances at an interconnect.

"Operational Flow Order" or "OFO" means an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the Transportation Service Provider's system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.

"Person" means an individual or any corporation, joint venture, limited liability company, partnership, association, business trust, or organized group of persons, whether incorporated or not.

"Pipeline Facilities" means Transporter's 101-mile Natural Gas pipeline and appurtenant facilities extending from a platform in Ship Shoal Block 207, offshore Louisiana, to Garden City, St. Mary Parish, Louisiana.

"Plant Discharge Facility" or "PDF" means that portion of Transporter's Pipeline Facilities that extends from the receipt point at St. Mary's Parish-Neptune Plant Outlet Meter to and including the delivery points located downstream of the outlet of such plant.

"Point(s) of Delivery" means the point or points on Transporter's Pipeline Facilities where Transporter shall deliver Natural Gas to or for the account of Shipper.

"Point(s) of Receipt" means the point or points on Transporter's Pipeline Facilities where Transporter shall receive from Shipper Natural Gas to be transported through Transporter's Pipeline Facilities.

"Primary Point(s) of Delivery" shall have the meaning set forth in GT&C Section 18.2 with respect to Rate Schedules FT-1, FT-2, and FT-3 and in GT&C Section 18.6(b) with respect to Rate Schedule PSH.

"Primary Point(s) of Receipt" shall have the meaning set forth in GT&C Section 18.1.

"Principals" shall be the number of Shippers that have designated a Principal to act as an Administrator on their behalf under a Multiple Shipper Option Agreement.

"Psia" means pounds per square inch absolute.

"Psig" means pounds per square inch gauge.

"Quick Response" means the NAESB WGQ EDI/EDM response used to communicate validation errors/warnings to a transaction submitted via the corresponding NAESB WGQ EDI/EDM transaction.

"Recourse Rate" means the generally applicable maximum tariff rates and surcharges set forth on the currently effective Statement of Rates.

"Releasing Shipper" means a Shipper receiving service pursuant to a Service Agreement under Rate Schedule FT-1, FT-2, or FT-3 of Transporter's Tariff which releases firm capacity in accordance with Transporter's capacity release programs.

"Replacement Shipper" means any Person which obtains released capacity in accordance with Transporter's capacity release programs.

"Request" means a request for service which meets the requirements of Section 10 of the GT&C of Transporter's Tariff. Such a request is considered a valid request.

"Request Date" means the date on which a Request is considered valid under Section 10 of the GT&C of Transporter's Tariff.

"Retrograde Condensate" means any gaseous phase hydrocarbons which exist as part of the Natural Gas stream at the point(s) of production and/or at the Point(s) of Receipt but which condense prior to redelivery to the Shipper at the Point(s) of Delivery.

"Scheduled Quantity" means the quantity of Natural Gas in Dth that (a) Shipper nominates for receipt by Transporter at a Receipt Point (including lost-and-unaccounted-for gas) and/or for redelivery by Transporter to or for the account of Shipper at a Delivery Point, and that (b) Transporter schedules for receipt or delivery, and that (c) the operator of the connecting facilities confirms.

"Secondary Point(s) of Delivery" means the point or points on Transporter's Pipeline Facilities where Transporter shall deliver Natural Gas to or for the account of Shipper, which are not those set forth on an Exhibit to Shipper's Service Agreement but are otherwise authorized delivery points for that service.

"Secondary Point(s) of Receipt" means the point or points on Transporter's Pipeline Facilities where Transporter shall receive from Shipper Natural Gas to be transported through Transporter's Pipeline Facilities, which are not those set forth on an Exhibit to Shipper's Service Agreement but are otherwise authorized receipt points for that service.

"Service Agreement" means the agreement executed by the Shipper and Transporter under any Rate Schedule of Transporter's Tariff and any exhibits, attachments and/or amendments thereto.

"Shipper" or "Service Requester" means a Person which executes a Service Agreement with Transporter for transportation service under any Rate Schedule of Transporter's Tariff.

"Tariff" means Transporter's FERC Gas Tariff, including but not limited to the Statement of Rates, Rate Schedules, General Terms & Conditions, and Forms of Service Agreement, as it may be revised and effective from time to time.

"Temporary Capacity Release Service Agreement" means a Service Agreement for Rate Schedule FT-1 that is executed pursuant to subsection 22.4(b)(2) of these General Terms and Conditions.

"Thermally Equivalent Quantities" means the thermal quantities of Natural Gas received by Transporter at the Point(s) of Receipt adjusted for Transporter Use Gas.

"Total Heating Value" means the number of Btu's produced by the complete combustion with air, at constant pressure, of 1 anhydrous (dry) Cubic Foot of Natural Gas, at a temperature of 60 degrees Fahrenheit and under a pressure of 14.73 psia, and when the products of combustion are cooled to the initial temperature of the Natural Gas and air and all water formed by combustion is condensed to the liquid state. For reporting purposes, the total heating value (BTU per Cubic Foot of gas) shall be reported to not less than three decimal places and for calculation purposes, to not less than six decimal places.

"Transporter" or "Transportation Service Provider" means Nautilus Pipeline Company, L.L.C.

"Transporter Use Gas" means the amount of Natural Gas used for maintenance; Natural Gas lost, the ownership of which cannot be reasonably identified; and unaccounted for Natural Gas.

21. ELECTRONIC COMMUNICATION

21.1 SYSTEM DESCRIPTION

- (a) Transporter provides for interactive electronic communications with its Shippers and other parties through the LINK® Customer Interface System (hereinafter called the "LINK® System"). The LINK® System shall be available on a nondiscriminatory basis to any party (such party is referred to herein as the "LINK® System Subscriber"), provided that such party (i) has executed a LINK® System Agreement electronically via the LINK® System, (ii) has established its business entity in the LINK® System by submitting Contact Information pursuant to Section 21.4(a) below, (iii) has designated a Local Security Administrator pursuant to Section 21.3 below, and (iv) if such party desires to transmit information to or receive information from Transporter via electronic data interchange, has requested and executed a trading partner agreement along with a related exhibit and worksheet (collectively referred to as the "Trading Partner Agreement") electronically via the LINK® System. A party to a LINK® System Agreement or a Trading Partner Agreement is responsible for ensuring that the individual executing such agreement on its behalf has the appropriate authority. Use of the LINK® System by such individual is acknowledgement of that authority. Transporter shall not be responsible for verifying the authority of an individual to execute a LINK® System Agreement or a Trading Partner Agreement on behalf of a party.

By accessing the LINK® System, LINK® System Subscriber agrees to comply with the procedures for access to and use of the LINK® System as set forth in this Section 21.

Transporter reserves the right to implement enhancements to the LINK® System at its sole discretion; provided however, all such enhancements when fully operational shall be available to all LINK® System Subscribers. Transporter will exercise due diligence to ensure the LINK® System operates correctly and will provide timely and non-discriminatory access to on-line LINK® System help features and to any information available on the LINK® System that LINK® System Subscriber is entitled to access.

- (b) The LINK® System provides on-line help, a search function that permits a LINK® System Subscriber to locate information concerning a specific transaction, and menus that permit LINK® System Subscribers to separately access notices of available capacity, records in the transportation request log, and Standards of Conduct information. The LINK® System will permit a LINK® System Subscriber to electronically download information on transactions from the LINK® System and to

separate extremely large documents into smaller files prior to such download. Transporter shall maintain and retain daily back-up records of the information displayed on the LINK® System and the Website and through electronic data interchange for three years and shall permit LINK® System Subscriber to review those records upon request. Completed transactions will remain on the LINK® System for at least ninety Days after completion and will then be archived. Archived information will be made available by Transporter if possible within two weeks after receipt of a Shipper's request for such information. Information on the most recent entries will appear ahead of older information.

- (c) Releasing Shippers' Offers pursuant to Section 22 of the General Terms and Conditions shall be submitted electronically and, in addition, posted electronically by the Shipper via the LINK® System. Electronic communications may also be transmitted, where applicable, via electronic data interchange, which will be available on a nondiscriminatory basis to any LINK® System Subscriber, provided such LINK® System Subscriber has entered into a Trading Partner Agreement with Transporter pursuant to Section 21.1(a) above. Specifically, a LINK® System Subscriber has the option of utilizing the LINK® System for purposes of:
- (1) requesting service under Transporter's Rate Schedules set forth in Transporter's FERC Gas Tariff;
 - (2) executing, tracking and amending certain Service Agreements under Transporter's rate schedules set forth in Transporter's FERC Gas Tariff;
 - (3) providing nominations and viewing allocations and operational imbalances under all rate schedules as a Shipper pursuant to the applicable rate schedule and the General Terms and Conditions;
 - (4) exercising its rights as a Shipper pursuant to Section 24 of the General Terms and Conditions (which, if submitted utilizing the LINK® System, will be posted at that time) or submitting a bid pursuant to such section;
 - (5) exercising its rights as a Releasing Shipper pursuant to Section 22 of the General Terms and Conditions (which, if submitted utilizing the LINK® System, will be posted at that time) or submitting a bid as a Replacement Shipper pursuant to such section, or posting an offer to acquire firm capacity pursuant to Section 22.10;
 - (6) viewing and downloading operational data for any Gas Day on the second subsequent Gas Day;
 - (7) viewing Transporter's notice of an OFO as contemplated by Section 19 of the General Terms and Conditions;
 - (8) effectuating Imbalance Netting and Trading pursuant to Sections 20.2 and 20.3 of the General Terms and Conditions;

- (9) requesting a discount of the Recourse Rates(s) for service under Transporter's Rate Schedules or viewing such discounts previously granted; and
- (10) such other functions as may be available on the LINK® System from time to time.

21.2 INFORMATION

Transporter shall post at least four times a day on the LINK® System and the Website information relevant to the availability of firm and interruptible capacity at Points of Receipt, on the mainline, and at Points of Delivery. The LINK® System and the Website will indicate whether the capacity is available from Transporter directly or through Transporter's capacity release mechanism as set forth in Section 22 of the General Terms and Conditions. The LINK® System and the Website shall provide the best available information about imbalances on an hourly and a daily basis. The LINK® System and the Website also include information allowed or required to be posted thereon by other provisions of the Tariff including Section 22, information that Transporter is required to post pursuant to the Commission's regulations, or other information Transporter chooses to post in furtherance of the operation of its system.

21.3 LOCAL SECURITY ADMINISTRATORS

- (a) LINK® System Subscriber shall designate one or more persons to perform certain security functions on the LINK® System ("Local Security Administrator") by submitting for each such person the Local Security Administrator Designation information via the LINK® System using the applicable on-line form; as such form is amended from time to time in the LINK® System. LINK® System Subscriber shall update Local Security Administrator Designation information via the LINK® System as such information changes.
- (b) The Local Security Administrator shall, via the LINK® System, be responsible for (1) identifying those persons who are duly authorized by LINK® System Subscriber to use the LINK® System to perform one or more of the functions available on the LINK® System ("LINK® System User"); (2) providing LINK® System Users with individualized USERIDs and passwords; (3) maintaining LINK® System Users' account information; (4) adding and terminating LINK® System Users immediately upon a change in status requiring such addition or termination; (5) creating and modifying security rights for LINK® System Users; (6) approving or terminating Designation of Affiliated Companies information and Designation of Agency information pursuant to Sections 21.5 and 21.6, respectively; and (7) ensuring that USERIDs are used only

as appropriate and as contemplated by these General Terms and Conditions and the LINK® System Agreement.

- (c) Transporter shall be entitled to rely upon the representation of LINK® System Subscriber's Local Security Administrator that the LINK® System User(s) identified by the Local Security Administrator may (i) transmit information to Transporter; (ii) view information posted on the LINK® System; and/or (iii) perform the LINK® System contracting function in accordance with the security rights granted by Local Security Administrator.

21.4 AUTHORIZED USE OF LINK® SYSTEM; CONFIDENTIALITY

- (a) LINK® System Subscriber shall submit Contact Information to Transporter via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System. In addition, LINK® System Subscriber shall be required to submit updated Contact Information to Transporter via the LINK® System as such information changes. Such revised information shall supersede in its entirety any Contact Information previously submitted to Transporter
- (b) LINK® System Subscriber shall not disclose to persons other than Local Security Administrator and LINK® System Users that are employed by LINK® System Subscriber, or properly designated affiliates or agents of LINK® System Subscriber, and shall otherwise keep confidential, all USERIDs and passwords issued by Local Security Administrator. In addition, LINK® System Subscriber shall cause Local Security Administrator and LINK® System User(s) to refrain from disclosing to any other person, whether or not employed by LINK® System Subscriber, and shall otherwise keep confidential, the individualized USERID and password issued to each such LINK® System User.
- (c) LINK® System Subscriber shall be solely responsible for any unauthorized or otherwise improper use of USERIDs and passwords issued by or for its Local Security Administrator, including, but not limited to, the use of such USERIDs and passwords by LINK® System Users who are not within LINK® System Subscriber's employment or control.
- (d) Transporter reserves the right to disable for due cause any USERID issued to any LINK® System User. Transporter shall provide notice to LINK® System Subscriber, LINK® System User and/or Local Security Administrator, as applicable, at the time that the USERID is disabled by Transporter. In addition, upon thirty (30) days prior notice to the LINK® System User and the Local Security Administrator, Transporter will

disable any USERID that has not been used to access the LINK® System for fifteen (15) consecutive months.

- (e) LINK® System Subscriber shall immediately notify Transporter of the desire to delete a Local Security Administrator of LINK® System Subscriber by (i) e-mail to link-help@enbridge.com, or (ii) submission via the LINK® System using the applicable on-line form of revised Local Security Administrator Designation information for such Local Security Administrator indicating the desire for termination. Such revised information shall supersede in its entirety any Local Security Administrator Designation information previously submitted to Transporter for such Local Security Administrator. LINK® System Subscriber shall be solely responsible for any unauthorized actions of Local Security Administrator due to LINK® System Subscriber's failure to so notify Transporter of the need to delete such Local Security Administrator.
- (f) Transporter warrants that, without the express consent of LINK® System Subscriber or as otherwise provided in this FERC Gas Tariff, no Transporter employee or agent will disclose to any third party any non-public information regarding research performed through the use of the LINK® System by LINK® System Subscriber.

21.5 LINK® SYSTEM SUBSCRIBER; AFFILIATED COMPANIES

- (a) If LINK® System Subscriber belongs to a group of affiliated companies and requires LINK® System access on behalf of one or more of said affiliates, LINK® System Subscriber (i) shall, or shall cause one of the affiliates of LINK® System Subscriber to, submit to Transporter via the LINK® System the Designation of Affiliated Companies information, and (ii) shall cause all other parties included in the affiliation to approve the Designation of Affiliated Companies information via the LINK® System. The Designation of Affiliated Companies information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the Designation of Affiliated Companies information.
- (b) When Designation of Affiliated Companies information changes, the LINK® System Subscriber shall cause revised Designation of Affiliated Companies information to be submitted and approved pursuant to Section 21.5(a) above. Such revised information shall supersede in its entirety any Designation of Affiliated Companies information previously submitted to Transporter. LINK® System Subscriber warrants that access consistent with any Designation of Affiliated Companies information submitted and

approved by LINK® System Subscriber and its affiliates in accordance with Section 21.5(a) above is appropriate and authorized. Determining the propriety of such access is the responsibility of LINK® System Subscriber and/or its affiliates, but Transporter reserves the right to reject such Designation of Affiliated Companies information if it determines that granting such designation would violate any contractual, legal, or regulatory responsibility of Transporter.

- (c) In order for LINK® System Users of LINK® System Subscriber to access the LINK® System on behalf of LINK® System Subscriber's affiliates designated pursuant Section 21.5(a) above, LINK® System Subscriber and each designated affiliate of LINK® System Subscriber must meet the requirements of a LINK® System Subscriber set forth in Section 21.1(a) of these General Terms and Conditions.
- (d) It is the obligation of the LINK® System Subscriber to notify Transporter via the LINK® System when a company affiliation terminates, either by (i) submitting a request to terminate a company affiliation via the applicable on-line form, as such form is updated from time to time in the LINK® System, or (ii) submitting and approving superseding Designation of Affiliated Companies information in accordance with Section 21.5(a). An affiliate may request a termination of the company affiliation by submitting such request via the LINK® System. A request to terminate a company affiliation will be processed by Transporter without consent from the non-requesting party.

21.6 LINK® SYSTEM SUBSCRIBER; AGENCY

- (a) If LINK® System Subscriber desires to designate one or more persons or entities to act as an agent on behalf of LINK® System Subscriber ("Agent"), then for each such Agent, the LINK® System Subscriber (i) shall, or shall cause the Agent to, submit to Transporter via the LINK® System the Designation of Agency information specifying the rights granted to the Agent and (ii) shall cause the other party to the agency relationship to approve the Designation of Agency information. The Designation of Agency information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the information. Transporter may require that LINK® System Subscriber provide additional documentation to confirm that LINK® System Subscriber desires Agent to act on its behalf.
- (b) In order for LINK® System Users of an Agent designated pursuant to Section 21.6(a) above to access the LINK® System on behalf of LINK®

System Subscriber, such Agent must meet the requirements of a LINK® System Subscriber set forth in Section 21.1(a) of these General Terms and Conditions.

- (c) Transporter may accept and fully rely upon Designation of Agency information submitted and approved in accordance with Section 21.6(a) above. Transporter may fully rely upon all communications received from and direction given by Agent with respect to all actions indicated in the approved Designation of Agency information for which Agent is authorized to act on behalf of LINK® System Subscriber. Transporter may grant Agent access to LINK® System Subscriber's data contained in the LINK® System as necessary to perform the functions identified in the approved Designation of Agency information. LINK® System Subscriber will defend, indemnify and hold harmless Transporter from and against any and all claims, demands, liabilities and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon Transporter by any party associated with Transporter's reliance on Designation of Agency information provided pursuant to this Section 21.6.
- (d) The rights specified in the approved Designation of Agency information having the latest commencement date shall supersede all prior rights granted by LINK® System Subscriber to Agent. In no event can an agency right granted to one Agent be simultaneously granted to another Agent.

It is the obligation of the LINK® System Subscriber to notify Transporter when an agency relationship changes or terminates, either by (i) specifying a termination date in the approved Designation of Agency information, (ii) submitting a request to terminate an agency relationship via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, or (iii) submitting and approving superseding Designation of Agency information in accordance with Section 21.6(a). The Agent may request a termination of the agency relationship by submitting such request via the LINK® System. A request to terminate an agency relationship will be processed by Transporter without consent from the non-requesting party.

LINK® System Subscriber and Agent must re-approve existing Designation of Agency information via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, on an annual basis. If, during this annual re-approval process, either the LINK® System Subscriber or the Agent desires a change to the Designation of Agency information, new Designation of

Agency information must be submitted and approved in accordance with Section 21.6(a) above. Transporter shall remove the security rights granted to all LINK® System Users of Agent pertaining to access granted by LINK® System Subscriber pursuant to the Designation of Agency information if LINK® System Subscriber and Agent do not re-approve the existing Designation of Agency information or submit and approve updated Designation of Agency information on an annual basis.

- (e) Agent is authorized to act on behalf of LINK® System Subscriber under any or all of LINK® System Subscriber's Service Agreements with Transporter as such Service Agreements are effective from time to time, or with respect to any or all meter locations as available from time to time, respectively, as specified in the Designation of Agency information, until LINK® System Subscriber properly notifies Transporter that the agency relationship is terminated or superseded in accordance with Section 21.6(d). The designation of an Agent by a LINK® System Subscriber does not provide for an assignment of the rights and obligations of any Service Agreement between Transporter and LINK® System Subscriber.

21.7. LIABILITY

- (a) Transporter shall not be liable to LINK® System Subscriber nor any other party in damages for any act, omission or circumstance related to the LINK® System occasioned by or in consequence of an event of force majeure as defined in Section 25 of these General Terms and Conditions, that is not within the control of Transporter and which by the exercise of due diligence Transporter is unable to prevent or overcome. To the extent the information displayed on the LINK® System is originated solely by Transporter and such information is subsequently determined to be inaccurate, LINK® System Subscriber shall not be subject to any penalties otherwise collectable by Transporter based on Shipper conduct attributable to such inaccuracy during the period the inaccurate information was displayed on the LINK® System.
- (b) LINK® System Subscriber shall defend, indemnify and hold harmless Transporter from and against any and all claims, demands and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon Transporter by any party as a result of the unauthorized or otherwise improper use of any USERID and/or password issued to or by LINK® System Subscriber and/or Local Security Administrator or any other unauthorized or improper use of the LINK® System by any LINK® System User or LINK® System Subscriber unless such improper use is the result of Transporter's negligence or willful misconduct, including, but not limited

to, distribution of USERIDs or passwords to persons that are not employed by, or agents or affiliates of, LINK® System Subscriber.

21.8 ELECTRONIC MAIL (E-MAIL) NOTIFICATION

For system-wide notices of general applicability, any provisions of this FERC Gas Tariff requiring that these matters be written or in writing are satisfied by Transporter utilizing electronic transmission through the LINK® System in accordance with the procedures for utilization of the LINK® System or through electronic data interchange as provided for in Commission-approved or permitted data sets. Critical system-wide notices will be in a separate category from notices that are not critical. Transporter will use electronic mail (e-mail) in order to facilitate certain notifications to Shippers as required by this FERC Gas Tariff. Shipper shall provide Transporter with at least one e-mail address to which these notifications can be sent, and shall be responsible for updating such information as necessary. In addition to the requirement specified in Sections 13 and 19 of these General Terms and Conditions to post notices on the LINK® System, Transporter shall provide such notifications via e-mail communication to those Shippers that have provided such e-mail address information and have requested, via the LINK® System, e-mail notification of critical notices issued by Transporter. Shipper shall be responsible for providing accurate e-mail notification information to Transporter, including timely updates to such information as necessary. All other provisions, including Service Agreement-specific notices, requiring items or information to be written, or in writing, remain unchanged unless otherwise agreed by Transporter and Shipper.

21.9 RIGHTS TO LINK® SYSTEM

Transporter or an affiliate of Transporter is the exclusive proprietor of the programming that generates the LINK® System and of all the copyrights and proprietary interests therein, except insofar as any third party (whose materials are made available in the files of the LINK® System under license to Transporter or an affiliate of Transporter) possesses a copyright or proprietary interest in such materials, but not of the files of and the information displayed on the LINK® System. A LINK® System Subscriber will not by virtue of this Section 21 or the executed LINK® System Agreement acquire any proprietary interests in the programming that generates the LINK® System.

22. SHIPPERS' RELEASE OF FIRM CAPACITY

22.1 General

This Section 22 sets forth the sole means by which a Shipper under Rate Schedules FT-1, FT-2 or FT-3 ("Releasing Shipper") may, pursuant to Section 248.8 of the Commission's Regulations, release its firm capacity rights to a third party ("Replacement Shipper"). The provisions of this Section 22 pertain solely to release of firm capacity rights under FT-1, FT-2 or FT-3 Service Agreements.

22.2 Capacity Eligible for Release

Any Shipper with an FT-1 or FT-3 Service Agreement with Transporter may release firm capacity on a permanent or temporary basis pursuant to this Section 22.

Any Shipper with a FT-2 Service Agreement with Transporter may release firm capacity on a temporary basis only pursuant to this Section 22.

A Shipper with a Service Agreement under Rate Schedule FT-1, FT-2 or FT-3 may release firm capacity in whole or in part pursuant to this Section 22, on a full day or a partial day basis, and on a recallable or non-recallable basis. Such Shipper may designate an entity (herein called prearranged Replacement Shipper) to obtain its released capacity. Shipper's offer to release capacity under a prearranged transaction shall be subject to the prior posting procedures described in Section 22.6 herein, with the prearranged Replacement Shipper given the right to match the best bid submitted during the Bid Period.

22.3 Types of Releases

- (a) **Permanent Release:** A Releasing Shipper may release all or part of its firm capacity under an FT-1 or FT-3 Service Agreement on a permanent basis for the entire remaining term of the Service Agreement ("Permanent Release") pursuant to the provisions of this Section 22. A Permanent Release is an assignment of capacity and any associated rights of the Releasing Shipper. Therefore, the Replacement Shipper must meet Transporter's requirements related to creditworthiness set forth in Section 10.6 of these General Terms and Conditions. Transporter may refuse to allow a permanent capacity release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. If Releasing Shipper's request to permanently release capacity is denied by Transporter, Transporter shall notify Releasing Shipper via e-mail of the reasons for such denial. The Replacement Shipper shall be required to execute a separate Service Agreement for the released capacity at the Recourse Rate applicable to and for the primary term remaining under the Releasing

Shipper's Service Agreement, unless Transporter agrees otherwise in a nondiscriminatory manner. Furthermore, the Replacement Shipper must contract for the Primary Point(s) of Receipt and Primary Point(s) of Delivery specifically set forth in a Releasing Shipper's Offer of firm capacity under Section 22.6(a). The Replacement Shipper then has the right to release its capacity on a permanent or temporary basis under the terms and conditions of this Section 22. Upon the successful completion of a Permanent Release, the Releasing Shipper shall be responsible only for those charges under its Service Agreement incurred with respect to the released capacity prior to the effective date of the Permanent Release hereunder, as well as charges it continues to incur for firm capacity not released on a permanent basis.

- (b) Temporary Release: A Releasing Shipper may release all or part of its firm capacity under an FT-1, FT-2 or FT-3 Service Agreement with Transporter to a Replacement Shipper on a temporary basis for a term less than or equal to the remaining term of the Service Agreement ("Temporary Release"), pursuant to one of the following methods and the further provision of this Section 22.
 - (1) Non-recallable Temporary Release: A Releasing Shipper may temporarily release capacity for a specified term without a right of recall, except as provided in Section 22.3(c). The minimum term for any non-recallable Temporary Release can be less than one Day. All non-recallable Temporary Releases with a term exceeding one Day must be offered for a consecutive number of Days, but such release can commence on any Day during the Month. No rate cap applies to releases of capacity for a period of one Year or less if the release is to take effect on or before one Year from the date on which Transporter is notified of the release.
 - (2) Recallable Temporary Release: Subject to the provisions of Section 22.4(a), a Releasing Shipper may temporarily release firm capacity subject to Releasing Shipper's right to recall the capacity under the conditions identified in the Releasing Shipper's Offer pursuant to Section 22.6(c)(4). The minimum term for any recallable temporary release can be less than one contract day. Any recallable temporary release with a term of more than one contract day must be offered for a consecutive number of days, but such release can commence on any day during the month. No rate cap applies to releases of capacity for a period of one Year or less if the release is to take effect on or before one Year from the date on which Transporter is notified of the release.

- (c) **Re-Release of Firm Capacity.** Any Replacement Shipper who has acquired firm capacity hereunder on a temporary basis may subsequently release the capacity it has acquired (except as prohibited by regulations), subject to that option being part of the Releasing Shipper's Offer, as set forth on the Exhibit A to its Capacity Release Umbrella Agreement, in accordance with the terms of this Section 22 ("Re-release"), thereby becoming a Releasing Shipper. That Releasing Shipper shall provide the original Releasing Shipper the name, telephone number and email address of a contact party of the Replacement Shipper. A Re-release of capacity may not operate to release greater capacity rights than the capacity acquired by the Releasing Shipper. Furthermore, to the extent that a Releasing Shipper acquired firm capacity subject to a right of recall, the capacity then released by the Releasing Shipper, and any subsequent Re-release of the capacity thereafter, also shall be subject to the right of recall.
- (d) **Prearranged Releases Not Subject to Bidding:**
- (1) The following types of temporary releases are not subject to the bidding requirements of this Section 22, but shall be subject to all other provisions of this Section 22:
- (i) a release for more than one (1) year at the Recourse Rate;
 - (ii) a release for any period of thirty-one (31) Days or less, subject to Section 22.3(d)(2) below;
 - (iii) a release to an asset manager, as defined by FERC regulations at 18 CFR 284.8(h)(3); or
 - (iv) a release to a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 CFR 284.8(h)(4).

Any release, with the exception of releases to an asset manager or to a marketer participating in a state-mandated retail access program, with a term that is greater than thirty-one (31) Days and less than or equal to one (1) year must be posted for bidding pursuant to Section 22.11(a) below, regardless of the proposed rate. Shipper shall notify Transporter of such non-biddable release by providing the information required by Section 22.6(c) below via the LINK® System, and such information will be posted on the LINK® System as required by Section 22.6(c) herein.

- (2) When a release of capacity for a period of thirty-one (31) Days or less is not subject to the bidding requirements under this Section 22, a Releasing Shipper may not rollover, extend, or in any way continue the capacity release to the same Replacement Shipper which utilizes the same capacity or overlaps such capacity using

the thirty-one (31) days or less bidding exemption described in Section 22.3(d)(1)(b) above until twenty-eight (28) days after the first release period has ended. The twenty-eight (28) day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding described in Section 22.3(d)(1) above. All other provisions of this Section 22 shall apply, including Shipper's obligations under Section 22.7(b) below.

- (3) Notwithstanding the standard timelines specified in Section 22.11 below, Transporter shall support a process to allow Releasing Shipper and Replacement Shipper to create and finalize prearranged non-biddable capacity release transactions to be effective for a given Gas Day at any time prior to 7:00 a.m. CCT on the calendar day on which that Gas Day ends.
- (4) Except as provided herein, all terms and conditions applicable to release of firm capacity under Transporter's Tariff shall apply to any prearranged release of firm capacity.

(e) Partial Day Release Quantity

- (1) The daily contractual entitlement that can be released by a Releasing Shipper for a partial Day release is limited to the lesser of:
 - (i) the quantity contained in the Offer submitted by the Releasing Shipper; or
 - (ii) a quantity equal to the difference between the MDTQ for the contract to be released by the Releasing Shipper and the quantity scheduled for that period of the Day prior to the effective time of the release of the capacity, based upon the Elapsed-prorated-scheduled Quantity.

This allocated daily contractual entitlement shall be used for purposes of nominations, billing, and if applicable, for overrun calculations.

- (2) If on the Day of a partial Day release, the Releasing Shipper's existing scheduled quantity exceeds the MDTQ remaining on the original contract after the award of the partial Day release, then the Releasing Shipper must reduce its nominated quantity to a quantity that is equal to or less than the MDTQ as applicable, remaining on the original contract.

22.4 Recall Rights Under a Temporary Release, Subject to Recall:

- (a) A Releasing Shipper has the right to define the condition(s) precedent which will result in a recall of the released firm capacity and such rights must be clearly stated in Releasing Shipper's offer to release capacity; provided, however, that such condition(s) shall not be inconsistent with the terms and conditions of the Releasing Shipper's Service Agreement or with the provisions of Transporter's Tariff and NAESB WGQ Standards incorporated herein. Furthermore, the recall conditions specified by the Releasing Shipper must be nondiscriminatory and identifiable events.

Releasing Shipper shall provide capacity recall notification to Transporter via the LINK® System. The recall notification shall specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled.

- (b) Transporter shall support the following recall notification periods for all released capacity subject to recall rights.
- (1) Timely Recall Notification:
- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;
- (2) Early Evening Recall Notification:
- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;
- (3) Evening Recall Notification:
- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;

- (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;
- (4) Intraday 1 Recall Notification:
 - (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due;
- (5) Intraday 2 Recall Notification:
 - (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due.
- (6) Intraday 3 Recall Notification:
 - (i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.
- (c) For recall notification provided to Transporter prior to the recall notification deadline specified in subsection (b) above and received between 7:00 a.m. and 5:00 p.m., Transporter shall provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to Transporter after 5:00 p.m. and prior to 7:00 a.m., Transporter shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification.

Transporter's notices of recalled capacity to all affected Replacement Shippers shall be provided via the LINK® System, along with written notice via e-mail communication to those Replacement Shippers' contact person(s) identified in the Replacement Shipper's bid submitted pursuant to Section 22.8 of these General Terms and Conditions. Such notices shall

contain the information required to uniquely identify the capacity being recalled, and shall indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from Transporter, each affected Replacement Shipper shall revise its nominations within the applicable nomination cycle in order to implement the recall. Each affected Replacement Shipper will be solely responsible for adjusting its supply and transportation arrangements, which may be necessary as a result of such recall. Replacement Shippers involved in re-release transactions may receive notice slightly after the first Replacement Shipper receives notice. The recalling Releasing Shipper may nominate the recalled capacity consistent with the applicable nomination cycle, as defined in Section 11.1 of these General Terms and Conditions.

For recall notifications provided to Transporter during the Timely, Early Evening or Evening recall notification period, the recall shall be effective as of the beginning of the specified effective Gas Day. For recall notifications provided during the Intraday 1, Intraday 2 or Intraday 3 recall notification period, the recall shall be effective at 2:00 p.m., 6:00 p.m. or 10:00 p.m., respectively, on the specified effective Gas Day.

(d) Partial Day Recall Quantity.

- (1) In the recall notification provided to Transporter by Releasing Shipper, the quantity to be recalled should be expressed in terms of the adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity.
- (2) In the event of an intraday capacity recall, Transporter will determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Elapsed Prorata Capacity means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.
- (3) The amount of capacity allocated to the Replacement Shipper(s) shall equal the original released quantity less the recalled capacity. This allocated daily contractual quantity shall be used for purposes of nominations, billing, and if applicable, for overrun calculations. As a result of the allocation of capacity described in this section, Transporter shall not be obligated to deliver a combined quantity to the Releasing Shipper and the Replacement Shippers(s) that is in excess of the total daily contract quantity of the release.

- (e) Transporter has the right to rely on a Releasing Shipper's notice and a Releasing Shipper shall defend and indemnify Transporter against any claims, losses, liabilities or expenses resulting from claims by any Replacement Shipper that it was not notified or that firm capacity was not recalled in accordance with the recall rights specified by the Releasing Shipper in its Offer.

- (f) Reput Provisions

Transporter shall support the function of reputting by the Releasing Shipper. The Releasing Shipper may reput previously recalled capacity to the Replacement Shipper pursuant to the reput rights and methods identified in Releasing Shipper's Offer to release capacity, as required by Section 22.6(c)(4) below. When capacity is recalled, such capacity may not be reput for the same Gas Day. The deadline for notifying the Transporter of a reput is 8:00 a.m. CCT to allow for timely nominations to flow on the next Gas Day.

22.5 Billing and Payment

- (a) Releasing Shippers.

- (1) When a Releasing Shipper has released capacity under Rate Schedule FT-1 or FT-3 on a permanent basis, commencing with the effective date of the release, pursuant to Section 22.7(b) hereof, Transporter shall bill the Releasing Shipper for all capacity retained pursuant to the provisions of the Releasing Shipper's Service Agreement. In this circumstance, the Releasing Shipper shall not be liable for any amount of Transporter's invoice to the associated Replacement Shipper(s) that is unpaid.
- (2) On the Releasing Shipper's bill for a Month in which it released capacity under Rate Schedules FT-1, FT-2 or FT-3 on a temporary basis, Transporter (i) shall bill for all capacity retained pursuant to the provisions of Releasing Shipper's Service Agreement, (ii) shall bill for all released capacity at the Conditional Reservation Rate under the Rate Schedule that the Releasing Shipper is receiving service and (iii) shall credit, subject to the terms of the Releasing Shipper's Service Agreement, all reservation charge revenues billed by Transporter to the Replacement Shipper, as applicable, for the released capacity under the applicable Addendum to the Capacity Release Umbrella Agreement (hereinafter referred to as "Credit Back"); provided, however, that in the event the Replacement Shipper fails to pay Transporter for any part of the Credit Back applied to the Releasing Shipper's bill, Transporter

may reverse such Credit Back on the Releasing Shipper's bill in a later Month up to the unpaid amount plus interest thereon calculated pursuant to GT&C Section 8.3. If the Replacement Shipper fails to pay its reservation charges pursuant to the provisions of GT&C Section 8, Transporter shall notify Releasing Shipper in accordance with the notification requirements specified in Section 22.12 below, and the Releasing Shipper may recall its capacity by notifying the Replacement Shipper and Transporter of such recall pursuant to the provisions of Section 22.4 above. All Credit Back amounts applied to the Releasing Shipper's bill shall be final and nonreversible upon Transporter's receipt of payment therefore from the Replacement Shipper, except in the event that a prior month adjustment occurs that results in Replacement Shipper not having made full payment to Transporter.

(b) Replacement Shippers.

The Replacement Shipper shall be obligated to pay Transporter all amounts specified in the Service Agreement between Transporter and the Replacement Shipper applicable to the volumes Transporter transports under the Replacement Shipper's FT-1, FT-2 or FT-3 Service Agreement or an Addendum to Replacement Shipper's Capacity Release Umbrella Agreement, as applicable. Transporter will retain the transportation charges, any associated volumetric surcharges and pro rata share in-kind of losses it receives from the Replacement Shipper. If any of the rates billed to and paid by the Replacement Shipper under its FT-1, FT-2 or FT-3 Service Agreement or an Addendum to Replacement Shipper's Capacity Release Umbrella Agreement, as applicable, and/or billed to and paid by the Releasing Shipper under its Service Agreements or credited to the Releasing Shipper's account pursuant to subsection 22.5(a)(2) hereof exceed the rate which the Commission determines to be just and reasonable, and Transporter is ordered to make refunds, the Replacement Shipper and/or the Releasing Shipper shall be eligible to receive refunds to the extent of any payments it made in excess of the rates the Commission subsequently determined to be just and reasonable; provided however, that the rate paid by Replacement Shipper in any capacity release transaction with a term of one (1) year or less which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to refund if the effective date of the release is on or before one (1) year from the date on which Transporter was notified of the release.

22.6 Offer and Bid Procedures

- (a) Offer of Firm Capacity: A Shipper desiring to release firm capacity pursuant to this Section 22 (a Releasing Shipper) shall submit via the

LINK® System, in accordance with the timelines set forth in Section 22.11 herein, a complete offer of firm capacity (herein called "Offer"). The Releasing Shipper agrees that its posted offer specifically is subject to the following conditions.

- (1) Once a Releasing Shipper's Offer is posted, it is binding until notice of withdrawal is received by Transporter on its LINK® System. The Releasing Shipper has the right to withdraw its Offer at any time during the bid period where unanticipated circumstances justify and no minimum Bid has been made. The reason for the withdrawal must be submitted to Transporter for posting.
- (2) Once a Releasing Shipper's offer is posted, the Releasing Shipper shall not be able to specify an extension of the original bid period or the prearranged deal match period, without posting a new release.

(b) Posting of Offers and Bids on the LINK® System:

Transporter shall post offers and bids, including prearranged deals, upon receipt; provided, however, offers and bids must be complete before posting. Only posted offers and bids will be available electronically. If a Releasing Shipper requests a later posting time, Transporter shall support such request insofar as it comports with the standard timeline set forth in Section 22.11. Any Releasing Shipper's Offer will be posted on the LINK® System and, where applicable, by electronic data interchange until the expiration of the Bid Period, except for those Releasing Shippers' Notices for capacity releases identified in Section 22.3(d)(1) above as not subject to competitive bidding, which shall not be subject to bidding but shall be posted on Transporter's LINK® System as soon as possible, but not later than the first nomination, after the release transaction commences. Transporter shall not post any minimum conditions that Releasing Shipper has elected not to disclose.

(c) Releasing Shipper's Offer: A Releasing Shipper's Offer submitted via the LINK® System shall be considered complete if the following standard information is included:

- (1) [Reserved for Future Use]
- (2) The contract number(s) of the Releasing Shipper's Service Agreement(s).
- (3) Whether the release is permanent or temporary.

- (4) If a temporary release,
 - (i) whether the release is non-recallable or is subject to a right of recall; and
 - (ii) if subject to recall, (1) whether the recall rights are on a full Day or a partial Day basis, (2) whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day, (3) the recall notification period(s), as identified in Section 22.4(b) above, that will be available for use by the parties, and (4) any reput methods and rights associated with returning the previously recalled capacity to the Replacement Shipper.
- (5) The Business Day on which the Bid Period and/or the match period will expire if Releasing Shipper desires to establish a Bid Period and/or a match period that is longer than Transporter's default as outlined in Section 22.11 herein;
- (6) The quantity of capacity per Day to be released, expressed as a numeric quantity only and whether bids for less than the full quantity offered are acceptable.
- (7) The term of the release and whether bids for less than the full term offered are acceptable.
- (8) The Primary Point(s) of Receipt and Primary Point(s) of Delivery at which the capacity is offered and the related Maximum Daily Receipt Quantity and Maximum Daily Delivery Quantity, as applicable, for each location.
- (9) Whether the Offer is subject to a Prearranged Release; if so, (1) the name of the prearranged bidder, (ii) whether such prearranged Replacement Shipper is affiliated with the Releasing Shipper, and (iii) whether the Prearranged Release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations (and, if so, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect) or to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations..

- (10) Any minimum reservation rate at which the bids must begin, whether the Releasing Shipper will accept bids on the reservation rate converted to a volumetric rate basis and whether the minimum reservation rate is inclusive or exclusive of any and all demand surcharges. All of the above rates shall be stated to the same number of decimal places as are the rates in Transporter's Tariff. Such minimum reservation rate may be specified as dollars and cents or percent of maximum tariff rate.
- (11) [Reserved for Future Use]
- (12) Whether bids may be submitted that are contingent on (i) the award of downstream capacity on another pipeline system, (ii) the success or failure of another bid for capacity on Transporter's Pipeline Facilities in the same offer/bid cycle, or (iii) any other type of contingency specified in the Offer; and (iv) the deadline for the removal of any contingency, if Releasing Shipper elects to allow the bidder additional time beyond the time period specified in Section 22.11 to remove such contingency.
- (13) For biddable releases, the economic criteria to be utilized by Transporter in determining the "best bid" which shall be, at Shipper's option: (i) highest rate, (ii) net revenue, or (iii) present value; or an alternative Shipper defined bid evaluation method; provided, however, such alternative Shipper defined bid evaluation method shall be applicable to all Replacement Shippers, not unduly discriminatory and must be set forth with sufficient specificity that Transporter's evaluation of the bids to determine the "best bid" is a purely ministerial matter that does not require any discretionary exercise of judgment by Transporter.

For index-based capacity release transactions, the releasing shipper should provide the necessary information and instructions to support the chosen methodology.

- (14) A nondiscriminatory tie breaker to be utilized in determining the "best bid" in the event two or more bids generate equal revenues.
- (15) which one of the following methods is acceptable for bidding on Releasing Shipper's Offer:
 - Non-Index based release – dollars and cents,
 - Non-Index based release – percentage of maximum rate, or
 - Index-based formula as detailed in Releasing Shipper's Offer.The bids for Releasing Shipper's Offer must adhere to the method specified by Releasing Shipper.

- (16) any additional terms and conditions of releases that are objective and non-discriminatory (e.g. limiting re-releases, changing Point(s) of Delivery and/or Point(s) of Receipt.) Transporter shall reject any Releasing Shipper's Offer that contains additional terms and conditions that are not consistent with the provisions of Transporter's Tariff.

The following information shall be supplied by Transporter for each Offer: (i) the maximum reservation rate (and reservation surcharges) applicable to the capacity; (ii) the maximum reservation rate (and reservation surcharges) converted to a 100% load-factor volumetric rate if the offer allows bids on a volumetric rate basis; (iii) the date and time the offer was submitted/posted on the LINK® System, and (iv) the date and time the Bid Period ends; the latter two items will be determined pursuant to the provisions of Section 22.11.

- (d) **Prearranged Release:** A Releasing Shipper must identify in its Offer any prearranged Replacement Shipper. Such prearranged Replacement Shipper must meet all of the requirements established for bidders pursuant to Section 22.8(a) and the prearranged Replacement Shipper shall initiate confirmation of prearranged release electronically, via the LINK® System in accordance with Sections 22.8(b) and 22.8(c). If the prearranged Replacement Shipper tenders a bid for the offered capacity which is not subject to the bidding requirements, as set forth in Section 22.3(d) herein, for the full capacity and term offered by the Releasing Shipper and satisfies all of the requirements of Sections 22.8(a), 22.8(b) and 22.8(c), that bid shall be deemed the best bid. In all other situations, the prearranged Replacement Shipper's bid shall constitute the minimum bid price for all other bidders, and shall be posted on the Releasing Shipper's Offer as such. If Transporter does not receive any better bid, based on the bid evaluation method specified by Releasing Shipper pursuant to Section 22.6(c)(13) above, that meets the essential terms of Releasing Shipper's Offer by the end of the Bid Period, set forth in Section 22.11 below, the prearranged Replacement Shipper's bid shall be deemed the best bid. If Transporter does receive a better bid meeting the essential terms of Releasing Shipper's Offer by the end of the Bid Period, the prearranged Replacement Shipper shall have the right to match the terms of the better bid, provided the prearranged Replacement Shipper gives notice to Transporter via the LINK® System pursuant to the timelines set forth in Section 22.11 below that it will match the essential terms of the better bid.

If the prearranged Replacement Shipper's bid matches the better bid, the prearranged Replacement Shipper shall be deemed to have made the best bid.

“Essential terms” for all purposes of Section 22.6 for bids or for the matching of any bid shall be determined solely by the Releasing Shipper consistent with the terms posted by the Releasing Shipper for such bids or the matching of any such bid. In the event of a dispute with respect to whether a bid has met the essential terms posted by Releasing Shipper or whether prearranged Replacement Shipper has matched a bid, Transporter shall bear no liability. Where a dispute arises with respect to a bid or a matching of a bid by a prearranged Replacement Shipper, Transporter shall not be obligated to provide services with respect to any capacity to be released pursuant to the Releasing Shipper’s Offer to any party having submitted a bid or having attempted to match a bid until such dispute has been fully resolved. In this case the Releasing Shipper shall remain liable to Transporter for all obligations under its Service Agreement(s) including those associated with the capacity the Releasing Shipper sought to release to the prearranged Replacement Shipper until the dispute is, in the judgment of the Transporter, resolved.

22.7 Obligations of the Parties

(a) Replacement Shipper:

- (1) A Replacement Shipper must satisfy all of Transporter's tariff provisions governing Replacement Shipper eligibility and must execute all required agreements and acknowledgements before it is permitted to contract for released capacity. Once a bid on an Offer for a Temporary Release of capacity under Section 22.3(b) is accepted, the Replacement Shipper agrees that the Addendum to its Capacity Release Umbrella Agreement provided by Transporter pursuant to the timeline set forth in Section 22.11 below shall be binding and no further execution thereof shall be required.
- (2) Once the Replacement Shipper executes its FT-1 or FT-3 Service Agreement resulting from a Permanent Release, or for a Temporary Release, is provided with an Addendum to its Capacity Release Umbrella Agreement, the Replacement Shipper becomes an existing Shipper with separate firm contract quantities like any other Shipper and is subject to the applicable provisions of Transporter's FERC Gas Tariff, including but not limited to Transporter's billing and payment and operational provisions. In addition, the Replacement Shipper as an existing Shipper may also release its capacity pursuant to this Section 22 subject to the re-release rights specified by Releasing Shipper pursuant to Section 22.6(c)(16) above.

(b) Releasing Shipper:

- (1) The Service Agreement of the Releasing Shipper will remain in full force and effect, with a portion of the proceeds attributable to any release credited to the Releasing Shipper's bill as provided in Section 22.5(a)(2) above. The Releasing Shipper shall remain fully liable under its existing Service Agreement for the payment of all reservation charges for the contract quantity which has not been released, associated surcharges, fixed charges, and direct bills owing to Transporter each month under the existing Service Agreement, as well as for services performed for or penalties incurred by the Releasing Shipper under its Service Agreement with respect to any remaining capacity thereunder. Under Negotiated Rate agreements, Releasing Shipper is obligated to pay Transporter the difference by which the Negotiated Rate exceeds the rate paid by Releasing Shipper. Under Negotiated Rate agreements, Transporter and Releasing Shipper may agree upon payment obligations and crediting mechanisms which vary from or are different from those set forth in Transporter's capacity release provisions. However, no new obligation or liability is created as a result of such assignments of the rights and obligations under the Service Agreement.
- (2) If Transporter waives any credit requirements for a Replacement Shipper, Transporter shall limit the liability of Releasing Shipper to the extent of such credit waiver, unless Releasing Shipper agrees to the waiver. To the extent Transporter does not require continuing assurances of creditworthiness under Section 10.6 of the General Terms and Conditions for Replacement Shippers any less than it does for Releasing Shipper, Releasing Shipper continues to be liable.
- (3) Any Releasing Shipper retaining the right of recall must provide notification via the LINK® System to Transporter in accordance with the notice requirements set forth in Section 22.4 herein, provided such recall conforms to the recall terms of such Releasing Shipper's Offer and such recall does not constitute a waiver or modification of Section 11 of Transporter's General Terms and Conditions. Any Releasing Shipper may exercise a right of recall, subject to the provisions herein, in the event Replacement Shipper fails to pay part or all of the amount of any bill for service provided when such amount is due in accordance with Section 8 of the General Terms and Conditions.

(c) Transporter:

Transporter will be required pursuant to Section 21 of the General Terms and Conditions to provide the LINK® System for access by Releasing Shippers and Replacement Shippers participating in this Section 22 and to otherwise comply with the provisions of this section.

22.8 Bidding Procedures

- (a) Pre-qualified Bidder Requirements: All parties desiring to bid on firm capacity offered by a Releasing Shipper must be on Transporter's approved bidder list before bids may be submitted via the LINK® System. To be on the approved bidders list, such party must have an executed Capacity Release Umbrella Agreement, and must satisfy Transporter's credit requirements, as outlined in Section 10.6 of Transporter's General Terms and Conditions, at the time of any bid. Transporter will waive the creditworthiness requirement on a nondiscriminatory basis for potential Replacement Shippers and permit them to submit bids, if the Releasing Shipper provides Transporter with a guarantee or other form of credit assurance in form and substance satisfactory to Transporter of all financial obligations of the potential Replacement Shipper with respect to the capacity being released by Releasing Shipper prior to the commencement of service to the Replacement Shipper. Such credit appraisal shall be reevaluated and updated as outlined in Section 10.6(c). The Replacement Shipper shall remain on the approved bidders list until such Replacement Shipper notifies Transporter to the contrary, no longer meets the credit qualifications established in Section 10.6 of these General Terms and Conditions, or is suspended from the approved bidders list in the event, and for such time as, such Replacement Shipper fails to pay part or all of the amount of any bill for service in accordance with Section 8 of these General Terms and Conditions. The Replacement Shipper must satisfy all other Transporter tariff provisions governing Replacement Shipper eligibility before it may contract with Transporter for the released capacity. If a party does not qualify as a prequalified bidder pursuant to this Section 22.8(a), the party may not bid on a Releasing Shipper's offer.
- (b) Bidding Procedures: All bids on a Releasing Shipper's offer shall contain all of the requirements of Section 22.8(c) and shall be transmitted electronically to Transporter via the LINK® System in accordance with the timelines as set forth in Section 22.11 below. Transporter shall date and time stamp all bids as they are received and shall post complete bids on Transporter's LINK® System for the posting period pursuant to the provisions of Section 22.11. Transporter shall post for viewing by other parties during the bid period all bids received on a Releasing Shipper's offer, except for the names of the bidders. A separate bid shall be

submitted for each separate Releasing Shipper's Offer on which a bidder wishes to bid. The price bid on any offer of capacity must be submitted on a reservation charge basis unless the offer states that bids on a volumetric rate basis are acceptable. Bids for a rate that exceeds the Recourse Rate for the applicable service may be submitted if (i) the term of the proposed release is one year or less, and (ii) the effective date of the proposed release is on or before one year from the date on which Transporter is notified of the release. Such rate will be utilized in the determination of the "best bid" pursuant to Section 22.9(b) below. All bids on Temporary Releases of capacity must be for the specified Point(s) of Delivery and Point(s) of Receipt offered. The Point(s) of Delivery and Point(s) of Receipt awarded to the Replacement Shipper under this Section 22 shall constitute the initial Point(s) of Delivery and Point(s) of Receipt to which the Replacement Shipper is entitled under the Addendum to the Capacity Release Umbrella Agreement. The Replacement Shipper shall be allowed to add and/or delete Primary Point(s) of Delivery and Primary Point(s) of Receipt in accordance with Section 18 of the General Terms and Conditions, subject to available capacity and, if applicable, the consent of Releasing Shipper in a temporary release.

- (c) The bid shall include the following information:
- (1) The bidder's name and the name, telephone number and email address of a contact party for the bidder.
 - (2) The Offer number and contract number(s) of the Releasing Shipper's Service Agreement(s) on which the bid is being made.
 - (3) The reservation charge bid per Dth for the released capacity or the charge bid at a volumetric rate per Dth, as applicable stated to the same number of decimal places as are the rates in Transporter's Tariff and on the same basis as the minimum reservation rate in Releasing Shipper's Offer.
 - (4) [Reserved for Future Use]
 - (5) The term for which the bid is being made if the Offer allows bids on less than the term offered.
 - (6) If the Offer allows bids on less than the full capacity offered, the transportation capacity requested at each Point of Receipt and each Point of Delivery.
 - (7) If contingent bids for downstream pipeline capacity are allowed by the Offer, whether the bid is contingent on the award of capacity

on a downstream pipeline system, the name of the pipeline and the bid number.

- (8) If other contingencies are allowed by the Offer, whether the bid is subject to one of the contingencies allowed by the Offer.
- (9) [Reserved for Future Use]
- (d) Effect of Bids: Bids shall be binding on the bidder until notice of withdrawal is received by Transporter via the LINK® System. A bidder may withdraw, via the LINK® System, its bid on an Offer at any time prior to the end of the Bid Period, but any subsequent bids submitted by the bidder on that Offer during the Bid Period must be equal to or higher than the bidder's previous bid(s). Any bid not withdrawn will legally bind the bidder to the terms of the bid if Transporter chooses such bid as the "best bid" pursuant to Section 22.9(b) herein. Bids cannot be withdrawn after the Bid Period ends.

22.9 Bid Evaluation and Award of Capacity

- (a) Transporter's Initial Review: Upon receipt of all bids, Transporter shall engage in an initial review to determine if a bid will be deemed eligible for consideration as the best bid. Any bid deemed ineligible pursuant to this Section 22.9(a) shall be eliminated from consideration. A bid shall be deemed ineligible if:
 - (1) the bid (or bidder) does not comply with all of the terms and conditions and deadlines of this Section 22; or
 - (2) the bid submitted exceeds the bidder's preapproved credit term or limits; or
 - (3) the bid is for capacity at Point(s) of Delivery and Point(s) of Receipt other than those Point(s) specified in the Offer; or
 - (4) the bid does not meet the minimum terms of the Releasing Shipper's Offer; or
 - (5) the bid contains a contingency that is not allowed by the Offer or the bidder has not removed the contingency by the deadline set forth in the Offer.

(b) The Best Bid Determination:

- (1) All bids deemed to be eligible following Transporter's initial review pursuant to Section 22.9(a) above shall be reviewed in determining the best bid. The best bid shall be determined by Transporter pursuant to the objective criteria for determining the best bid set forth in the Releasing Shipper's Offer, as required by Section 22.6(c)(13) above. For releases where the Releasing Shipper's offer allows the reservation charge to be bid on a volumetric rate basis as well as a reservation charge basis, Transporter shall assume that the firm transportation quantity requested under a volumetric rate bid will be transported each Day of the release unless another calculation is specified in the offer by the Releasing Shipper. The best bid as determined herein or pursuant to the objective criteria posted by the Releasing Shipper shall be subject to the rights of a prearranged Replacement Shipper to match the bid in accordance with Section 22.6(d) above. In the event two or more bids are equivalent, they will be subject to the outcome of the tie breaker stipulated in the Releasing Shipper's Offer as explained in Section 22.9(c) below.
- (2) When Transporter makes awards of capacity for which there have been multiple bids meeting minimum conditions, Transporter shall award the bids, best bid first, until all offered capacity is awarded. If there is only one valid bid, Transporter shall award the capacity to the bidder that submitted such bid, subject to any prearranged Replacement Shipper's exercise of its matching rights. If there is more than one valid bid, then, subject to any prearranged Replacement Shipper's exercise of its matching rights, Transporter shall award the capacity to the bidder whose bid yields the highest value based on the bid evaluation method specified in Releasing Shipper's Offer, taking into account the price, volume and term of the bid, as applicable. In the event two or more bids yield the highest value, they will be subject to the outcome of the tie breaker stipulated in the Releasing Shipper's Offer, as explained in Section 22.9(c) below.
- (3) For purposes of determining the value of a bid, Transporter shall use only the Reservation Charge (including Reservation Charges stated on a volumetric basis). If the bid evaluation method specified by the Releasing Shipper is present value, Transporter shall use a discount rate of ten (10) percent.
- (4) In the event both a contingent bid and a non-contingent bid meet the minimum conditions specified in Releasing Shipper's Offer and

generate the "best bid", Transporter shall reject the contingent bid, even if the bid with no contingency was received later in time.

- (5) If the winning bid is a contingent bid, the bidder that submitted such contingent bid will be required to satisfy or eliminate any contingency in accordance with the capacity release timeline set forth in Section 22.11 below or in the Releasing Shipper's Offer, as applicable, and shall confirm to Transporter via e-mail to link-help@enbridge.com that the contingency has been satisfied or eliminated. In the event that such bidder fails to satisfy or eliminate its contingency pursuant to this subsection (5), the capacity will be awarded to the next highest bidder(s) as determined pursuant to this Section 22.9(b).
 - (6) Transporter shall not award capacity release offers to the Replacement Shipper until and unless the Replacement Shipper meets Transporter's creditworthiness requirements applicable to all services it receives from Transporter, including the service represented by the capacity release.
- (c) Tie Breaker: If there is a tie for the best bid, and there is no prearranged Replacement Shipper who has agreed to match the best bid, the winning bid shall be determined by applying the tie breaker stipulated in the Releasing Shipper's Offer. The Releasing Shipper may specify one of the following tie breakers or a different tie breaker so long as it is objective, nondiscriminatory and can be applied by Transporter.
- (d) Award of Capacity: Upon completion of the best bid determination, Transporter shall notify Releasing Shipper, the Replacement Shipper and any prearranged Replacement Shipper via the LINK® System of such determination in accordance with the timelines set forth in Section 22.11 below. Transporter shall provide an Addendum to the Replacement Shipper's Capacity Release Umbrella Agreement, in the Form of Service Agreement contained in this Tariff, to the Replacement Shipper via e-mail. Such Addendum will reflect the terms of the Replacement Shipper's winning bid. Transporter will notify Releasing Shipper with recall rights of the name of new Replacement Shipper(s) who subsequently obtain all or a portion of the awarded capacity after the Addendum to the Capacity Release Umbrella Agreement is tendered. Following the award of the capacity, Transporter shall post notice and the details of the winning bid, including the Replacement Shipper's name, on the LINK® System and by electronic data interchange, pursuant to the provisions set forth in Section 22.11 below.

- (e) If no bids are submitted by the required deadline pursuant to Section 22.11, the LINK® System will reflect that the Releasing Shipper's Offer has expired.

22.10 Offers to Purchase Firm Capacity

Transporter agrees to post on the LINK® System at a party's request offers to purchase releasable firm capacity on a permanent or temporary basis. Each offer will remain on the LINK® System for a period of one (1) month or until a transaction is effected, whichever is shorter.

Such offers must be submitted to Transporter via email to link-help@enbridge.com. These offers must include, at a minimum, the following information:

- The party's name and complete contact information,
- Whether capacity is requested on a temporary or permanent basis,
- Quantity(ies) requested,
- Date range desired,
- Location information (Receipt Point(s) and Delivery Point(s)) and the associated Maximum Daily Receipt Quantity and Maximum Daily Delivery Quantity,
- Price per Dth being offered,
- Whether the party will accept a temporary release with recall rights, and, if so, what recall rights would be acceptable,
- Whether the request is contingent, and, if so, the basis for the contingency, and
- Other terms and conditions specified by the requesting party.

All such parties must have met the Pre-qualified Bidder Requirements pursuant to this section 22.

22.11 Capacity Release Timeline

The proposed duration of the Releasing Shipper's release determines the minimum bid period for Releasing Shipper's Offer pursuant to this Section 22. The Capacity Release Timeline applies to all parties involved in the capacity release process provided that: (a) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered and (b) for index-based capacity release transactions, the Releasing Shipper has provided Transporter with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (c) there are no special terms or conditions to the release. Further, Transporter may complete the capacity release process on a different timeline if the Offer includes unfamiliar or unclear terms and conditions (e.g. designation of

an index not supported by Transporter).

(a) For biddable releases (1 year or less):

- Offers should be tendered such that they can be posted by 9 a.m. on a Business Day;
- Open season ends at 10:00 a.m. on the same or a subsequent Business Day;
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.;
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30, a.m. and the Award is posted by 12:00 Noon.
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.
- Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 11 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Shipper's Offer.

(b) For biddable releases (more than 1 year):

- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.

- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon.

- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).

- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

- Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 11 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Shipper's Offer.

(c) For non-biddable releases:

- The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2 and Section 11 of these General Terms and Conditions. The posting deadlines are:

-Timely Cycle	12:00 Noon
-Evening Cycle	5:00 p.m.
-Intraday 1 Cycle	9:00 a.m.
-Intraday 2 Cycle	1:30 p.m.
-Intraday 3 Cycle	6:00 p.m.

- Prior to the nomination deadline for the chosen cycle for the begin date specified in Releasing Shipper's Offer, the prearranged Replacement Shipper must initiate confirmation of prearranged deals electronically.

- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).

- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

- Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 11 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Shipper's Offer.

(d) Timeline for non-standard releases

For the capacity release business process timing model, only the following methodologies are required to be supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are (1) highest rate, (2) net revenue, and (3) present value. For index-based capacity release transactions, Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) or any special terms or conditions, will be accorded the same timeline evaluation treatment; provided, however, one additional Business Day will be added to the evaluation period. Subsequent deadlines will be delayed by such additional Business Day, causing Gas flow to occur at least one Day later than under the standard timelines set forth in Sections 22.11(a) and 22.11(b) above.

22.12 Notices to Releasing Shippers:

Transporter should provide the original Releasing Shipper with Internet e-mail notification reasonably proximate in time with any of the following formal notices given by the Transporter to the Releasing Shipper's Replacement Shipper(s), of the following:

- (1) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to Transporter's Tariff;
- (2) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;
- (3) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and
- (4) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to Transporter's Tariff.

22.13 Transporter's Rights to Terminate Temporary Capacity Releases:

In the event of a temporary release for which (a) Transporter has given notice of termination of Releasing Shipper's contract because Releasing Shipper no longer satisfies Transporter's credit requirements as outlined in Section 10.6 of these General Terms and Conditions and (b) the Reservation Charge specified in the effective Addendum to Replacement Shipper's Capacity Release Umbrella Agreement is less than the level of the Reservation Charge which Releasing Shipper was obligated to pay Transporter (or, if Releasing Shipper is paying a Negotiated Rate, the total of all reservation-type and commodity-type charges), then Transporter shall be entitled to terminate the Addendum, upon 30 Days' written notice to Replacement Shipper, unless such Replacement Shipper agrees

prior to the end of said 30-Day notice period to pay for the remainder of the term of the Addendum one of the following: (i) the reservation and commodity charges at levels which Releasing Shipper was obligated to pay Transporter, (ii) the applicable maximum tariff rate, or (iii) such rate as mutually agreed to by Transporter and Replacement Shipper. Replacement Shipper may elect to pay the lowest of the foregoing three options. Transporter's right to terminate the Addendum is subject to Transporter providing written notice of termination to Replacement Shipper within 60 Days of the determination by Transporter that Releasing Shipper no longer satisfies Transporter's credit requirements. Termination of the Addendum shall not occur prior to termination of Releasing Shipper's contract.

FERC NGA GAS TARIFF

FILED AGREEMENTS

of

NAUTILUS PIPELINE COMPANY, L.L.C.

filed with

FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff
should be addressed to:

Christopher Harvey
Director, Regulatory
Nautilus Pipeline Company, L.L.C.

Mailing address: P.O. Box 1642
Houston, TX 77251-1642

Street address: 5400 Westheimer Court
Houston, TX 77056-5310

Telephone number: (713) 627-5113

Email: Christopher.Harvey@enbridge.com

FERC NGA GAS TARIFF
STATEMENTS OF NEGOTIATED RATES
of
NAUTILUS PIPELINE COMPANY, L.L.C.
filed with
FEDERAL ENERGY REGULATORY COMMISSION

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Email: Christopher.Harvey@enbridge.com

FERC GAS TARIFF
Second Revised Volume No. 1
Superseding
First Revised Volume No. 1
of
NAUTILUS PIPELINE COMPANY, L.L.C.
filed with
FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff should be addressed to:

~~Janice Devers~~[Christopher Harvey](#)
Director, ~~Tariffs~~[Regulatory](#)
Nautilus Pipeline Company, L.L.C.

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SYSTEM MAP

The System Map can be viewed and/or downloaded at:

| <https://linkwc.spectraenergyenbridge.com/SystemMaps/NPCSystemMap.pdf>

2. DEFINITIONS

The following terms, when used herein or in any Rate Schedule contained in this Tariff or in any executed Service Agreement for service under a Rate Schedule contained in this Tariff, have the following meanings:

“Administrator” means the party designated by the Principals to act on their behalf under a Multiple Shipper Option Agreement.

"Affiliate" means any Person which controls, is controlled by, or is under common control with such Person.

“Authorized Overrun” means the quantity of gas scheduled on any Day, with the advance approval of Transporter, for delivery under Shipper’s Service Agreement(s) in excess of the applicable Maximum Daily Transportation Quantity under Shipper’s applicable Service Agreement(s).

“Bid Period” means the length of time commencing with the posting of an Offer, pursuant to GT&C Section 22.6(c), and terminating 10:00 am CCT on a Business Day.

"British thermal unit" and "Btu" means the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit at a constant pressure of 14.73 psia.

"Bumping" means that a shipper with a higher priority transportation service level will displace previously scheduled volumes of a lower priority transportation service level.

"Business Day" means Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S. and similar holidays for transactions occurring in Canada and Mexico.

“Capacity Release Umbrella Agreement” means an agreement executed pursuant to Section 22.8(a) of the GT&C of Transporter’s Tariff.

"Central Clock Time" or "CCT" means central daylight time when daylight savings time is in effect and central standard time when daylight savings time is not in effect.

"Commission" or "FERC" means the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction over Transporter under the Natural Gas Act or supervening legislation.

"Contract Quarter" means each of the periods determined as follows:

1. with respect to the first Contract Quarter of the first Contract Year, a period commencing on the initial delivery date and ending on the first to occur of

March 31, June 30, September 30, or December 31 after such initial delivery date, and

2. with respect to the second and each Contract Quarter thereafter, the calendar quarter succeeding the immediately preceding Contract Quarter.

"Contract Year" means the following:

1. with respect to the first Contract Year, a period beginning on the initial delivery date and ending on the December 31 first occurring after such initial delivery date, and
2. with respect to the second and each Contract Year thereafter, the calendar year succeeding the immediately preceding Contract Year.

"Cubic Foot" means the volume of Natural Gas which occupies one (1) cubic foot of space, measured according to Boyle's and Charles' Laws for the measurement of Natural Gas under varying pressures with deviation therefrom as provided in Section 5 hereof and on the measurement basis likewise specified in Section 5 hereof.

"Date of Commencement of Service" means the date on which Transporter is ready, willing and able to provide service and all contractual and regulatory conditions enabling service to commence have been satisfied.

"Day" or "Gas Day" means a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 a.m. CCT.

"Delivery Period" means the period(s) of time specified in an Exhibit to Shipper's FT-2 or FT-3 Service Agreement, as applicable, and shall be no less than three (3) consecutive calendar months.

"Dekatherm" or "Dth" means the quantity of heat energy which is equivalent to 1,000,000 British thermal units. One "Dekatherm" of Gas means the quantity of gas which contains one dekatherm of heat energy. One "Dekatherm" of Gas equals one "MMBtu," which means one million British thermal units.

"Discount Confirmation" means an electronic mail (email) message sent by Transporter to Shipper to confirm the terms of the discount granted pursuant to GT&C Section 27.1.

"Elapsed-prorated-scheduled Quantity" means that portion of the Scheduled Quantity that would have theoretically flowed up to the effective time of the Intraday Nomination being confirmed, based upon a cumulative uniform hourly quantity for each Nomination Period affected.

"Electronic Notice Delivery" means the description of the delivery of notices via Internet Email and/or EDI/EDM.

"GT&C" means the General Terms and Conditions of Transporter's Tariff, as revised and effective from time to time.

"Internet Website" or "Website" means Transporter's HTML site accessible via the Internet's World Wide Web located at <https://link.spectraenergyenbridge.com>.

"Lease(s)" means any oil, Natural Gas or mineral lease(s) in which Shipper holds rights to Natural Gas, which is committed to Transporter under a Rate Schedule FT-2 or FT-3 Service Agreement.

"Leasehold Interest(s)" means any right, title or interest acquired by Shipper or any Affiliate of Shipper in and under any Lease or any other interest in oil, Natural Gas or other minerals covering or relating to Field(s) identified on Exhibit "A" to Shipper's Rate Schedule FT-2 or FT-3 Service Agreement, including, without limitation, interests under farm-in or farm-out agreements, exploration agreements, production-sharing agreements and other contractual rights but specifically excluding mere rights to the proceeds of production, including, without limitation, overriding royalty interests.

"LINK® System" means the LINK® Customer Interface System.

"LINK® System Subscriber" means any entity, whether or not a Shipper, which has agreed to comply with the procedure for access to the LINK® System, as more fully set forth in GT&C Section 21.

"Maximum Daily Delivery Quantity" or "MDDQ" means the maximum daily quantity of gas in Dth that Transporter agrees to deliver to or for the account of Shipper at each Point of Delivery on each Day during the term of Shipper's Service Agreement, as set forth on Exhibit A or Exhibit B, as applicable, to the Service Agreement.

"Maximum Daily Receipt Quantity" or "MDRQ" means the maximum daily quantity of gas in Dth that Transporter agrees to receive from or for the account for Shipper at each Point of Receipt on each Day during the term of Shipper's Service Agreement, as set forth on Exhibit A or Exhibit B, as applicable, to the Service Agreement.

"Maximum Daily Transportation Quantity" or "MDTQ" means the maximum daily quantity of Natural Gas that Transporter is required to transport for Shipper or for the account of Shipper on each Day during the term of Shipper's Service Agreement.

"Month" means the period beginning at 9:00 a.m. CCT on the first Day of the calendar month and ending 9:00 a.m. CCT on the first Day of the next succeeding calendar month.

"Multiple Shipper Option Agreement" means the Agreement, as set forth in the Forms of Service, executed by multiple Principals as Shipper with a designated Administrator.

"NAESB" means the North American Energy Standards Board.

"NAESB Standard" means the standards issued by NAESB and adopted by the Federal Energy Regulatory Commission.

"Natural Gas" means any mixture of hydrocarbons, consisting essentially of methane, other hydrocarbons and inert or noncombustible gases which are extracted from the subsurface of the earth in their natural state meeting the quality and pressure specifications set forth in Sections 3 and 4 hereof.

"Negotiated Rate(s)" means a rate provision under which Transporter and Shipper have agreed, pursuant to GT&C Section 40, on the amount to be charged for the service under Rate Schedule FT-1, FT-2, FT-3, PSH or IT-1 which results in a rate (including but not limited to Transporter Use Gas) where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate (including but not limited to in the form of surcharges, credits, refunds or return of credits or refunds).

"Negotiated Rate Formula" means a rate formula provision under which Transporter and Shipper have agreed, pursuant to GT&C Section 40, will be applied to service under Rate Schedule FT-1, FT-2, FT-3, PSH or IT-1 which results in a rate (including but not limited to Transporter Use Gas) where, for all or a portion of the contract term, one or more of the individual components of such rate exceeds or may exceed the applicable maximum rate or is less than or may be less than the applicable minimum rate (including but not limited to in the form of surcharges, credits, refunds or return of credits or refunds).

"New Facilities" means those facilities constructed at Shipper's request in order for Transporter to provide the transportation service(s) that a Shipper requests via the LINK® System.

"Nomination Period" means a period of time a Shipper includes in a nomination for gas services.

"Operational Balancing Agreement" or "OBA" means a contract between two parties which specifies the procedures to manage operating variances at an interconnect.

"Operational Flow Order" or "OFO" means an order issued to alleviate conditions, inter alia, which threaten or could threaten the safe operations or system integrity, of the Transportation Service Provider's system or to maintain operations required to provide efficient and reliable firm service. Whenever a Transportation Service Provider experiences these conditions, any pertinent order should be referred to as an Operational Flow Order.

"Person" means an individual or any corporation, joint venture, limited liability company, partnership, association, business trust, or organized group of persons, whether incorporated or not.

"Pipeline Facilities" means Transporter's 101-mile Natural Gas pipeline and appurtenant facilities extending from a platform in Ship Shoal Block 207, offshore Louisiana, to Garden City, St. Mary Parish, Louisiana.

"Plant Discharge Facility" or "PDF" means that portion of Transporter's Pipeline Facilities that extends from the receipt point at St. Mary's Parish-Neptune Plant Outlet Meter to and including the delivery points located downstream of the outlet of such plant.

"Point(s) of Delivery" means the point or points on Transporter's Pipeline Facilities where Transporter shall deliver Natural Gas to or for the account of Shipper.

"Point(s) of Receipt" means the point or points on Transporter's Pipeline Facilities where Transporter shall receive from Shipper Natural Gas to be transported through Transporter's Pipeline Facilities.

"Primary Point(s) of Delivery" shall have the meaning set forth in GT&C Section 18.2 with respect to Rate Schedules FT-1, FT-2, and FT-3 and in GT&C Section 18.6(b) with respect to Rate Schedule PSH.

"Primary Point(s) of Receipt" shall have the meaning set forth in GT&C Section 18.1.

"Principals" shall be the number of Shippers that have designated a Principal to act as an Administrator on their behalf under a Multiple Shipper Option Agreement.

"Psia" means pounds per square inch absolute.

"Psig" means pounds per square inch gauge.

"Quick Response" means the NAESB WGQ EDI/EDM response used to communicate validation errors/warnings to a transaction submitted via the corresponding NAESB WGQ EDI/EDM transaction.

"Recourse Rate" means the generally applicable maximum tariff rates and surcharges set forth on the currently effective Statement of Rates.

"Releasing Shipper" means a Shipper receiving service pursuant to a Service Agreement under Rate Schedule FT-1, FT-2, or FT-3 of Transporter's Tariff which releases firm capacity in accordance with Transporter's capacity release programs.

"Replacement Shipper" means any Person which obtains released capacity in accordance with Transporter's capacity release programs.

"Request" means a request for service which meets the requirements of Section 10 of the GT&C of Transporter's Tariff. Such a request is considered a valid request.

"Request Date" means the date on which a Request is considered valid under Section 10 of the GT&C of Transporter's Tariff.

"Retrograde Condensate" means any gaseous phase hydrocarbons which exist as part of the Natural Gas stream at the point(s) of production and/or at the Point(s) of Receipt but which condense prior to redelivery to the Shipper at the Point(s) of Delivery.

"Scheduled Quantity" means the quantity of Natural Gas in Dth that (a) Shipper nominates for receipt by Transporter at a Receipt Point (including lost-and-unaccounted-for gas) and/or for redelivery by Transporter to or for the account of Shipper at a Delivery Point, and that (b) Transporter schedules for receipt or delivery, and that (c) the operator of the connecting facilities confirms.

"Secondary Point(s) of Delivery" means the point or points on Transporter's Pipeline Facilities where Transporter shall deliver Natural Gas to or for the account of Shipper, which are not those set forth on an Exhibit to Shipper's Service Agreement but are otherwise authorized delivery points for that service.

"Secondary Point(s) of Receipt" means the point or points on Transporter's Pipeline Facilities where Transporter shall receive from Shipper Natural Gas to be transported through Transporter's Pipeline Facilities, which are not those set forth on an Exhibit to Shipper's Service Agreement but are otherwise authorized receipt points for that service.

"Service Agreement" means the agreement executed by the Shipper and Transporter under any Rate Schedule of Transporter's Tariff and any exhibits, attachments and/or amendments thereto.

"Shipper" or "Service Requester" means a Person which executes a Service Agreement with Transporter for transportation service under any Rate Schedule of Transporter's Tariff.

"Tariff" means Transporter's FERC Gas Tariff, including but not limited to the Statement of Rates, Rate Schedules, General Terms & Conditions, and Forms of Service Agreement, as it may be revised and effective from time to time.

"Temporary Capacity Release Service Agreement" means a Service Agreement for Rate Schedule FT-1 that is executed pursuant to subsection 22.4(b)(2) of these General Terms and Conditions.

"Thermally Equivalent Quantities" means the thermal quantities of Natural Gas received by Transporter at the Point(s) of Receipt adjusted for Transporter Use Gas.

"Total Heating Value" means the number of Btu's produced by the complete combustion with air, at constant pressure, of 1 anhydrous (dry) Cubic Foot of Natural Gas, at a temperature of 60 degrees Fahrenheit and under a pressure of 14.73 psia, and when the products of combustion are cooled to the initial temperature of the Natural Gas and air and all water formed by combustion is condensed to the liquid state. For reporting purposes, the total heating value (BTU per Cubic Foot of gas) shall be reported to not less than three decimal places and for calculation purposes, to not less than six decimal places.

"Transporter" or "Transportation Service Provider" means Nautilus Pipeline Company, L.L.C.

"Transporter Use Gas" means the amount of Natural Gas used for maintenance; Natural Gas lost, the ownership of which cannot be reasonably identified; and unaccounted for Natural Gas.

21. ELECTRONIC COMMUNICATION

21.1 SYSTEM DESCRIPTION

- (a) Transporter provides for interactive electronic communications with its Shippers and other parties through the LINK® Customer Interface System (hereinafter called the "LINK® System"). The LINK® System shall be available on a nondiscriminatory basis to any party (such party is referred to herein as the "LINK® System Subscriber"), provided that such party (i) has executed a LINK® System Agreement electronically via the LINK® System, (ii) has established its business entity in the LINK® System by submitting Contact Information pursuant to Section 21.4(a) below, (iii) has designated a Local Security Administrator pursuant to Section 21.3 below, and (iv) if such party desires to transmit information to or receive information from Transporter via electronic data interchange, has requested and executed a trading partner agreement along with a related exhibit and worksheet (collectively referred to as the "Trading Partner Agreement") electronically via the LINK® System. A party to a LINK® System Agreement or a Trading Partner Agreement is responsible for ensuring that the individual executing such agreement on its behalf has the appropriate authority. Use of the LINK® System by such individual is acknowledgement of that authority. Transporter shall not be responsible for verifying the authority of an individual to execute a LINK® System Agreement or a Trading Partner Agreement on behalf of a party.

By accessing the LINK® System, LINK® System Subscriber agrees to comply with the procedures for access to and use of the LINK® System as set forth in this Section 21.

Transporter reserves the right to implement enhancements to the LINK® System at its sole discretion; provided however, all such enhancements when fully operational shall be available to all LINK® System Subscribers. Transporter will exercise due diligence to ensure the LINK® System operates correctly and will provide timely and non-discriminatory access to on-line LINK® System help features and to any information available on the LINK® System that LINK® System Subscriber is entitled to access.

- (b) The LINK® System provides on-line help, a search function that permits a LINK® System Subscriber to locate information concerning a specific transaction, and menus that permit LINK® System Subscribers to separately access notices of available capacity, records in the transportation request log, and Standards of Conduct information. The LINK® System will permit a LINK® System Subscriber to electronically download information on transactions from the LINK® System and to

separate extremely large documents into smaller files prior to such download. Transporter shall maintain and retain daily back-up records of the information displayed on the LINK® System and the Website and through electronic data interchange for three years and shall permit LINK® System Subscriber to review those records upon request. Completed transactions will remain on the LINK® System for at least ninety Days after completion and will then be archived. Archived information will be made available by Transporter if possible within two weeks after receipt of a Shipper's request for such information. Information on the most recent entries will appear ahead of older information.

(c) Releasing Shippers' Offers pursuant to Section 22 of the General Terms and Conditions shall be submitted electronically and, in addition, posted electronically by the Shipper via the LINK® System. Electronic communications may also be transmitted, where applicable, via electronic data interchange, which will be available on a nondiscriminatory basis to any LINK® System Subscriber, provided such LINK® System Subscriber has entered into a Trading Partner Agreement with Transporter pursuant to Section 21.1(a) above. Specifically, a LINK® System Subscriber has the option of utilizing the LINK® System for purposes of:

- (1) requesting service under Transporter's Rate Schedules set forth in Transporter's FERC Gas Tariff;
- (2) executing, tracking and amending certain Service Agreements under Transporter's rate schedules set forth in Transporter's FERC Gas Tariff;
- (3) providing nominations and viewing allocations and operational imbalances under all rate schedules as a Shipper pursuant to the applicable rate schedule and the General Terms and Conditions;
- (4) exercising its rights as a Shipper pursuant to Section 24 of the General Terms and Conditions (which, if submitted utilizing the LINK® System, will be posted at that time) or submitting a bid pursuant to such section;
- (5) exercising its rights as a Releasing Shipper pursuant to Section 22 of the General Terms and Conditions (which, if submitted utilizing the LINK® System, will be posted at that time) or submitting a bid as a Replacement Shipper pursuant to such section, or posting an offer to acquire firm capacity pursuant to Section 22.10;
- (6) viewing and downloading operational data for any Gas Day on the second subsequent Gas Day;
- (7) viewing Transporter's notice of an OFO as contemplated by Section 19 of the General Terms and Conditions;
- (8) effectuating Imbalance Netting and Trading pursuant to Sections 20.2 and 20.3 of the General Terms and Conditions;

- (9) requesting a discount of the Recourse Rates(s) for service under Transporter's Rate Schedules or viewing such discounts previously granted; and
- (10) such other functions as may be available on the LINK® System from time to time.

21.2 INFORMATION

Transporter shall post at least four times a day on the LINK® System and the Website information relevant to the availability of firm and interruptible capacity at Points of Receipt, on the mainline, and at Points of Delivery. The LINK® System and the Website will indicate whether the capacity is available from Transporter directly or through Transporter's capacity release mechanism as set forth in Section 22 of the General Terms and Conditions. The LINK® System and the Website shall provide the best available information about imbalances on an hourly and a daily basis. The LINK® System and the Website also include information allowed or required to be posted thereon by other provisions of the Tariff including Section 22, information that Transporter is required to post pursuant to the Commission's regulations, or other information Transporter chooses to post in furtherance of the operation of its system.

21.3 LOCAL SECURITY ADMINISTRATORS

- (a) LINK® System Subscriber shall designate one or more persons to perform certain security functions on the LINK® System ("Local Security Administrator") by submitting for each such person the Local Security Administrator Designation information via the LINK® System using the applicable on-line form; as such form is amended from time to time in the LINK® System. LINK® System Subscriber shall update Local Security Administrator Designation information via the LINK® System as such information changes.
- (b) The Local Security Administrator shall, via the LINK® System, be responsible for (1) identifying those persons who are duly authorized by LINK® System Subscriber to use the LINK® System to perform one or more of the functions available on the LINK® System ("LINK® System User"); (2) providing LINK® System Users with individualized USERIDs and passwords; (3) maintaining LINK® System Users' account information; (4) adding and terminating LINK® System Users immediately upon a change in status requiring such addition or termination; (5) creating and modifying security rights for LINK® System Users; (6) approving or terminating Designation of Affiliated Companies information and Designation of Agency information pursuant to Sections 21.5 and 21.6, respectively; and (7) ensuring that USERIDs are used only

as appropriate and as contemplated by these General Terms and Conditions and the LINK® System Agreement.

- (c) Transporter shall be entitled to rely upon the representation of LINK® System Subscriber's Local Security Administrator that the LINK® System User(s) identified by the Local Security Administrator may (i) transmit information to Transporter; (ii) view information posted on the LINK® System; and/or (iii) perform the LINK® System contracting function in accordance with the security rights granted by Local Security Administrator.

21.4 AUTHORIZED USE OF LINK® SYSTEM; CONFIDENTIALITY

- (a) LINK® System Subscriber shall submit Contact Information to Transporter via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System. In addition, LINK® System Subscriber shall be required to submit updated Contact Information to Transporter via the LINK® System as such information changes. Such revised information shall supersede in its entirety any Contact Information previously submitted to Transporter
- (b) LINK® System Subscriber shall not disclose to persons other than Local Security Administrator and LINK® System Users that are employed by LINK® System Subscriber, or properly designated affiliates or agents of LINK® System Subscriber, and shall otherwise keep confidential, all USERIDs and passwords issued by Local Security Administrator. In addition, LINK® System Subscriber shall cause Local Security Administrator and LINK® System User(s) to refrain from disclosing to any other person, whether or not employed by LINK® System Subscriber, and shall otherwise keep confidential, the individualized USERID and password issued to each such LINK® System User.
- (c) LINK® System Subscriber shall be solely responsible for any unauthorized or otherwise improper use of USERIDs and passwords issued by or for its Local Security Administrator, including, but not limited to, the use of such USERIDs and passwords by LINK® System Users who are not within LINK® System Subscriber's employment or control.
- (d) Transporter reserves the right to disable for due cause any USERID issued to any LINK® System User. Transporter shall provide notice to LINK® System Subscriber, LINK® System User and/or Local Security Administrator, as applicable, at the time that the USERID is disabled by Transporter. In addition, upon thirty (30) days prior notice to the LINK® System User and the Local Security Administrator, Transporter will

disable any USERID that has not been used to access the LINK® System for fifteen (15) consecutive months.

- (e) LINK® System Subscriber shall immediately notify Transporter of the desire to delete a Local Security Administrator of LINK® System Subscriber by (i) e-mail to link-help@spectraenergyenbridge.com, or (ii) submission via the LINK® System using the applicable on-line form of revised Local Security Administrator Designation information for such Local Security Administrator indicating the desire for termination. Such revised information shall supersede in its entirety any Local Security Administrator Designation information previously submitted to Transporter for such Local Security Administrator. LINK® System Subscriber shall be solely responsible for any unauthorized actions of Local Security Administrator due to LINK® System Subscriber's failure to so notify Transporter of the need to delete such Local Security Administrator.
- (f) Transporter warrants that, without the express consent of LINK® System Subscriber or as otherwise provided in this FERC Gas Tariff, no Transporter employee or agent will disclose to any third party any non-public information regarding research performed through the use of the LINK® System by LINK® System Subscriber.

21.5 LINK® SYSTEM SUBSCRIBER; AFFILIATED COMPANIES

- (a) If LINK® System Subscriber belongs to a group of affiliated companies and requires LINK® System access on behalf of one or more of said affiliates, LINK® System Subscriber (i) shall, or shall cause one of the affiliates of LINK® System Subscriber to, submit to Transporter via the LINK® System the Designation of Affiliated Companies information, and (ii) shall cause all other parties included in the affiliation to approve the Designation of Affiliated Companies information via the LINK® System. The Designation of Affiliated Companies information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the Designation of Affiliated Companies information.
- (b) When Designation of Affiliated Companies information changes, the LINK® System Subscriber shall cause revised Designation of Affiliated Companies information to be submitted and approved pursuant to Section 21.5(a) above. Such revised information shall supersede in its entirety any Designation of Affiliated Companies information previously submitted to Transporter. LINK® System Subscriber warrants that access consistent with any Designation of Affiliated Companies information submitted and

approved by LINK® System Subscriber and its affiliates in accordance with Section 21.5(a) above is appropriate and authorized. Determining the propriety of such access is the responsibility of LINK® System Subscriber and/or its affiliates, but Transporter reserves the right to reject such Designation of Affiliated Companies information if it determines that granting such designation would violate any contractual, legal, or regulatory responsibility of Transporter.

- (c) In order for LINK® System Users of LINK® System Subscriber to access the LINK® System on behalf of LINK® System Subscriber's affiliates designated pursuant Section 21.5(a) above, LINK® System Subscriber and each designated affiliate of LINK® System Subscriber must meet the requirements of a LINK® System Subscriber set forth in Section 21.1(a) of these General Terms and Conditions.
- (d) It is the obligation of the LINK® System Subscriber to notify Transporter via the LINK® System when a company affiliation terminates, either by (i) submitting a request to terminate a company affiliation via the applicable on-line form, as such form is updated from time to time in the LINK® System, or (ii) submitting and approving superseding Designation of Affiliated Companies information in accordance with Section 21.5(a). An affiliate may request a termination of the company affiliation by submitting such request via the LINK® System. A request to terminate a company affiliation will be processed by Transporter without consent from the non-requesting party.

21.6 LINK® SYSTEM SUBSCRIBER; AGENCY

- (a) If LINK® System Subscriber desires to designate one or more persons or entities to act as an agent on behalf of LINK® System Subscriber ("Agent"), then for each such Agent, the LINK® System Subscriber (i) shall, or shall cause the Agent to, submit to Transporter via the LINK® System the Designation of Agency information specifying the rights granted to the Agent and (ii) shall cause the other party to the agency relationship to approve the Designation of Agency information. The Designation of Agency information shall be submitted and approved via the applicable on-line form, as such form is updated from time to time in the LINK® System. The submission pursuant to item (i) herein shall be deemed to be the submitting party's approval of the information. Transporter may require that LINK® System Subscriber provide additional documentation to confirm that LINK® System Subscriber desires Agent to act on its behalf.
- (b) In order for LINK® System Users of an Agent designated pursuant to Section 21.6(a) above to access the LINK® System on behalf of LINK®

System Subscriber, such Agent must meet the requirements of a LINK® System Subscriber set forth in Section 21.1(a) of these General Terms and Conditions.

- (c) Transporter may accept and fully rely upon Designation of Agency information submitted and approved in accordance with Section 21.6(a) above. Transporter may fully rely upon all communications received from and direction given by Agent with respect to all actions indicated in the approved Designation of Agency information for which Agent is authorized to act on behalf of LINK® System Subscriber. Transporter may grant Agent access to LINK® System Subscriber's data contained in the LINK® System as necessary to perform the functions identified in the approved Designation of Agency information. LINK® System Subscriber will defend, indemnify and hold harmless Transporter from and against any and all claims, demands, liabilities and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon Transporter by any party associated with Transporter's reliance on Designation of Agency information provided pursuant to this Section 21.6.
- (d) The rights specified in the approved Designation of Agency information having the latest commencement date shall supersede all prior rights granted by LINK® System Subscriber to Agent. In no event can an agency right granted to one Agent be simultaneously granted to another Agent.

It is the obligation of the LINK® System Subscriber to notify Transporter when an agency relationship changes or terminates, either by (i) specifying a termination date in the approved Designation of Agency information, (ii) submitting a request to terminate an agency relationship via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, or (iii) submitting and approving superseding Designation of Agency information in accordance with Section 21.6(a). The Agent may request a termination of the agency relationship by submitting such request via the LINK® System. A request to terminate an agency relationship will be processed by Transporter without consent from the non-requesting party.

LINK® System Subscriber and Agent must re-approve existing Designation of Agency information via the LINK® System using the applicable on-line form, as such form is updated from time to time in the LINK® System, on an annual basis. If, during this annual re-approval process, either the LINK® System Subscriber or the Agent desires a change to the Designation of Agency information, new Designation of

Agency information must be submitted and approved in accordance with Section 21.6(a) above. Transporter shall remove the security rights granted to all LINK® System Users of Agent pertaining to access granted by LINK® System Subscriber pursuant to the Designation of Agency information if LINK® System Subscriber and Agent do not re-approve the existing Designation of Agency information or submit and approve updated Designation of Agency information on an annual basis.

- (e) Agent is authorized to act on behalf of LINK® System Subscriber under any or all of LINK® System Subscriber's Service Agreements with Transporter as such Service Agreements are effective from time to time, or with respect to any or all meter locations as available from time to time, respectively, as specified in the Designation of Agency information, until LINK® System Subscriber properly notifies Transporter that the agency relationship is terminated or superseded in accordance with Section 21.6(d). The designation of an Agent by a LINK® System Subscriber does not provide for an assignment of the rights and obligations of any Service Agreement between Transporter and LINK® System Subscriber.

21.7. LIABILITY

- (a) Transporter shall not be liable to LINK® System Subscriber nor any other party in damages for any act, omission or circumstance related to the LINK® System occasioned by or in consequence of an event of force majeure as defined in Section 25 of these General Terms and Conditions, that is not within the control of Transporter and which by the exercise of due diligence Transporter is unable to prevent or overcome. To the extent the information displayed on the LINK® System is originated solely by Transporter and such information is subsequently determined to be inaccurate, LINK® System Subscriber shall not be subject to any penalties otherwise collectable by Transporter based on Shipper conduct attributable to such inaccuracy during the period the inaccurate information was displayed on the LINK® System.
- (b) LINK® System Subscriber shall defend, indemnify and hold harmless Transporter from and against any and all claims, demands and/or actions, and/or any and all resulting loss, costs, damages, and/or expenses (including court costs and reasonable attorney's fees) of any nature whatsoever, that may be asserted against or imposed upon Transporter by any party as a result of the unauthorized or otherwise improper use of any USERID and/or password issued to or by LINK® System Subscriber and/or Local Security Administrator or any other unauthorized or improper use of the LINK® System by any LINK® System User or LINK® System Subscriber unless such improper use is the result of Transporter's negligence or willful misconduct, including, but not limited

to, distribution of USERIDs or passwords to persons that are not employed by, or agents or affiliates of, LINK® System Subscriber.

21.8 ELECTRONIC MAIL (E-MAIL) NOTIFICATION

For system-wide notices of general applicability, any provisions of this FERC Gas Tariff requiring that these matters be written or in writing are satisfied by Transporter utilizing electronic transmission through the LINK® System in accordance with the procedures for utilization of the LINK® System or through electronic data interchange as provided for in Commission-approved or permitted data sets. Critical system-wide notices will be in a separate category from notices that are not critical. Transporter will use electronic mail (e-mail) in order to facilitate certain notifications to Shippers as required by this FERC Gas Tariff. Shipper shall provide Transporter with at least one e-mail address to which these notifications can be sent, and shall be responsible for updating such information as necessary. In addition to the requirement specified in Sections 13 and 19 of these General Terms and Conditions to post notices on the LINK® System, Transporter shall provide such notifications via e-mail communication to those Shippers that have provided such e-mail address information and have requested, via the LINK® System, e-mail notification of critical notices issued by Transporter. Shipper shall be responsible for providing accurate e-mail notification information to Transporter, including timely updates to such information as necessary. All other provisions, including Service Agreement-specific notices, requiring items or information to be written, or in writing, remain unchanged unless otherwise agreed by Transporter and Shipper.

21.9 RIGHTS TO LINK® SYSTEM

Transporter or an affiliate of Transporter is the exclusive proprietor of the programming that generates the LINK® System and of all the copyrights and proprietary interests therein, except insofar as any third party (whose materials are made available in the files of the LINK® System under license to Transporter or an affiliate of Transporter) possesses a copyright or proprietary interest in such materials, but not of the files of and the information displayed on the LINK® System. A LINK® System Subscriber will not by virtue of this Section 21 or the executed LINK® System Agreement acquire any proprietary interests in the programming that generates the LINK® System.

22. SHIPPERS' RELEASE OF FIRM CAPACITY

22.1 General

This Section 22 sets forth the sole means by which a Shipper under Rate Schedules FT-1, FT-2 or FT-3 ("Releasing Shipper") may, pursuant to Section 248.8 of the Commission's Regulations, release its firm capacity rights to a third party ("Replacement Shipper"). The provisions of this Section 22 pertain solely to release of firm capacity rights under FT-1, FT-2 or FT-3 Service Agreements.

22.2 Capacity Eligible for Release

Any Shipper with an FT-1 or FT-3 Service Agreement with Transporter may release firm capacity on a permanent or temporary basis pursuant to this Section 22.

Any Shipper with a FT-2 Service Agreement with Transporter may release firm capacity on a temporary basis only pursuant to this Section 22.

A Shipper with a Service Agreement under Rate Schedule FT-1, FT-2 or FT-3 may release firm capacity in whole or in part pursuant to this Section 22, on a full day or a partial day basis, and on a recallable or non-recallable basis. Such Shipper may designate an entity (herein called prearranged Replacement Shipper) to obtain its released capacity. Shipper's offer to release capacity under a prearranged transaction shall be subject to the prior posting procedures described in Section 22.6 herein, with the prearranged Replacement Shipper given the right to match the best bid submitted during the Bid Period.

22.3 Types of Releases

- (a) **Permanent Release:** A Releasing Shipper may release all or part of its firm capacity under an FT-1 or FT-3 Service Agreement on a permanent basis for the entire remaining term of the Service Agreement ("Permanent Release") pursuant to the provisions of this Section 22. A Permanent Release is an assignment of capacity and any associated rights of the Releasing Shipper. Therefore, the Replacement Shipper must meet Transporter's requirements related to creditworthiness set forth in Section 10.6 of these General Terms and Conditions. Transporter may refuse to allow a permanent capacity release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. If Releasing Shipper's request to permanently release capacity is denied by Transporter, Transporter shall notify Releasing Shipper via e-mail of the reasons for such denial. The Replacement Shipper shall be required to execute a separate Service Agreement for the released capacity at the Recourse Rate applicable to and for the primary term remaining under the Releasing

Shipper's Service Agreement, unless Transporter agrees otherwise in a nondiscriminatory manner. Furthermore, the Replacement Shipper must contract for the Primary Point(s) of Receipt and Primary Point(s) of Delivery specifically set forth in a Releasing Shipper's Offer of firm capacity under Section 22.6(a). The Replacement Shipper then has the right to release its capacity on a permanent or temporary basis under the terms and conditions of this Section 22. Upon the successful completion of a Permanent Release, the Releasing Shipper shall be responsible only for those charges under its Service Agreement incurred with respect to the released capacity prior to the effective date of the Permanent Release hereunder, as well as charges it continues to incur for firm capacity not released on a permanent basis.

- (b) Temporary Release: A Releasing Shipper may release all or part of its firm capacity under an FT-1, FT-2 or FT-3 Service Agreement with Transporter to a Replacement Shipper on a temporary basis for a term less than or equal to the remaining term of the Service Agreement ("Temporary Release"), pursuant to one of the following methods and the further provision of this Section 22.
 - (1) Non-recallable Temporary Release: A Releasing Shipper may temporarily release capacity for a specified term without a right of recall, except as provided in Section 22.3(c). The minimum term for any non-recallable Temporary Release can be less than one Day. All non-recallable Temporary Releases with a term exceeding one Day must be offered for a consecutive number of Days, but such release can commence on any Day during the Month. No rate cap applies to releases of capacity for a period of one Year or less if the release is to take effect on or before one Year from the date on which Transporter is notified of the release.
 - (2) Recallable Temporary Release: Subject to the provisions of Section 22.4(a), a Releasing Shipper may temporarily release firm capacity subject to Releasing Shipper's right to recall the capacity under the conditions identified in the Releasing Shipper's Offer pursuant to Section 22.6(c)(4). The minimum term for any recallable temporary release can be less than one contract day. Any recallable temporary release with a term of more than one contract day must be offered for a consecutive number of days, but such release can commence on any day during the month. No rate cap applies to releases of capacity for a period of one Year or less if the release is to take effect on or before one Year from the date on which Transporter is notified of the release.

- (c) **Re-Release of Firm Capacity.** Any Replacement Shipper who has acquired firm capacity hereunder on a temporary basis may subsequently release the capacity it has acquired (except as prohibited by regulations), subject to that option being part of the Releasing Shipper's Offer, as set forth on the Exhibit A to its Capacity Release Umbrella Agreement, in accordance with the terms of this Section 22 ("Re-release"), thereby becoming a Releasing Shipper. That Releasing Shipper shall provide the original Releasing Shipper the name, telephone number and email address of a contact party of the Replacement Shipper. A Re-release of capacity may not operate to release greater capacity rights than the capacity acquired by the Releasing Shipper. Furthermore, to the extent that a Releasing Shipper acquired firm capacity subject to a right of recall, the capacity then released by the Releasing Shipper, and any subsequent Re-release of the capacity thereafter, also shall be subject to the right of recall.
- (d) **Prearranged Releases Not Subject to Bidding:**
- (1) The following types of temporary releases are not subject to the bidding requirements of this Section 22, but shall be subject to all other provisions of this Section 22:
- (i) a release for more than one (1) year at the Recourse Rate;
 - (ii) a release for any period of thirty-one (31) Days or less, subject to Section 22.3(d)(2) below;
 - (iii) a release to an asset manager, as defined by FERC regulations at 18 CFR 284.8(h)(3); or
 - (iv) a release to a marketer participating in a state-regulated retail access program, as defined by FERC regulations at 18 CFR 284.8(h)(4).

Any release, with the exception of releases to an asset manager or to a marketer participating in a state-mandated retail access program, with a term that is greater than thirty-one (31) Days and less than or equal to one (1) year must be posted for bidding pursuant to Section 22.11(a) below, regardless of the proposed rate. Shipper shall notify Transporter of such non-biddable release by providing the information required by Section 22.6(c) below via the LINK® System, and such information will be posted on the LINK® System as required by Section 22.6(c) herein.

- (2) When a release of capacity for a period of thirty-one (31) Days or less is not subject to the bidding requirements under this Section 22, a Releasing Shipper may not rollover, extend, or in any way continue the capacity release to the same Replacement Shipper which utilizes the same capacity or overlaps such capacity using

the thirty-one (31) days or less bidding exemption described in Section 22.3(d)(1)(b) above until twenty-eight (28) days after the first release period has ended. The twenty-eight (28) day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any of the other exemptions from bidding described in Section 22.3(d)(1) above. All other provisions of this Section 22 shall apply, including Shipper's obligations under Section 22.7(b) below.

- (3) Notwithstanding the standard timelines specified in Section 22.11 below, Transporter shall support a process to allow Releasing Shipper and Replacement Shipper to create and finalize prearranged non-biddable capacity release transactions to be effective for a given Gas Day at any time prior to 7:00 a.m. CCT on the calendar day on which that Gas Day ends.
- (4) Except as provided herein, all terms and conditions applicable to release of firm capacity under Transporter's Tariff shall apply to any prearranged release of firm capacity.

(e) Partial Day Release Quantity

- (1) The daily contractual entitlement that can be released by a Releasing Shipper for a partial Day release is limited to the lesser of:
 - (i) the quantity contained in the Offer submitted by the Releasing Shipper; or
 - (ii) a quantity equal to the difference between the MDTQ for the contract to be released by the Releasing Shipper and the quantity scheduled for that period of the Day prior to the effective time of the release of the capacity, based upon the Elapsed-prorated-scheduled Quantity.

This allocated daily contractual entitlement shall be used for purposes of nominations, billing, and if applicable, for overrun calculations.

- (2) If on the Day of a partial Day release, the Releasing Shipper's existing scheduled quantity exceeds the MDTQ remaining on the original contract after the award of the partial Day release, then the Releasing Shipper must reduce its nominated quantity to a quantity that is equal to or less than the MDTQ as applicable, remaining on the original contract.

22.4 Recall Rights Under a Temporary Release, Subject to Recall:

- (a) A Releasing Shipper has the right to define the condition(s) precedent which will result in a recall of the released firm capacity and such rights must be clearly stated in Releasing Shipper's offer to release capacity; provided, however, that such condition(s) shall not be inconsistent with the terms and conditions of the Releasing Shipper's Service Agreement or with the provisions of Transporter's Tariff and NAESB WGQ Standards incorporated herein. Furthermore, the recall conditions specified by the Releasing Shipper must be nondiscriminatory and identifiable events.

Releasing Shipper shall provide capacity recall notification to Transporter via the LINK® System. The recall notification shall specify the recall notification period for the specified effective Gas Day, as well as any other information needed to uniquely identify the capacity being recalled.

- (b) Transporter shall support the following recall notification periods for all released capacity subject to recall rights.
- (1) Timely Recall Notification:
- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;
- (2) Early Evening Recall Notification:
- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;
- (3) Evening Recall Notification:
- (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;

- (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;
- (4) Intraday 1 Recall Notification:
 - (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due;
- (5) Intraday 2 Recall Notification:
 - (i) A Releasing Shipper recalling capacity should provide notice of such recall to Transporter and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due.
- (6) Intraday 3 Recall Notification:
 - (i) A Releasing Shipper recalling capacity should provide notice of such recall to the TSP and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
 - (ii) Transporter should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.
- (c) For recall notification provided to Transporter prior to the recall notification deadline specified in subsection (b) above and received between 7:00 a.m. and 5:00 p.m., Transporter shall provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to Transporter after 5:00 p.m. and prior to 7:00 a.m., Transporter shall provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification.

Transporter's notices of recalled capacity to all affected Replacement Shippers shall be provided via the LINK® System, along with written notice via e-mail communication to those Replacement Shippers' contact person(s) identified in the Replacement Shipper's bid submitted pursuant to Section 22.8 of these General Terms and Conditions. Such notices shall

contain the information required to uniquely identify the capacity being recalled, and shall indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall. Upon receipt of notification of the recall from Transporter, each affected Replacement Shipper shall revise its nominations within the applicable nomination cycle in order to implement the recall. Each affected Replacement Shipper will be solely responsible for adjusting its supply and transportation arrangements, which may be necessary as a result of such recall. Replacement Shippers involved in re-release transactions may receive notice slightly after the first Replacement Shipper receives notice. The recalling Releasing Shipper may nominate the recalled capacity consistent with the applicable nomination cycle, as defined in Section 11.1 of these General Terms and Conditions.

For recall notifications provided to Transporter during the Timely, Early Evening or Evening recall notification period, the recall shall be effective as of the beginning of the specified effective Gas Day. For recall notifications provided during the Intraday 1, Intraday 2 or Intraday 3 recall notification period, the recall shall be effective at 2:00 p.m., 6:00 p.m. or 10:00 p.m., respectively, on the specified effective Gas Day.

- (d) Partial Day Recall Quantity.
- (1) In the recall notification provided to Transporter by Releasing Shipper, the quantity to be recalled should be expressed in terms of the adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity.
 - (2) In the event of an intraday capacity recall, Transporter will determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity (EPC). Elapsed Prorata Capacity means that portion of the capacity that would have theoretically been available for use prior to the effective time of the intraday recall based upon a cumulative uniform hourly use of the capacity.
 - (3) The amount of capacity allocated to the Replacement Shipper(s) shall equal the original released quantity less the recalled capacity. This allocated daily contractual quantity shall be used for purposes of nominations, billing, and if applicable, for overrun calculations. As a result of the allocation of capacity described in this section, Transporter shall not be obligated to deliver a combined quantity to the Releasing Shipper and the Replacement Shippers(s) that is in excess of the total daily contract quantity of the release.

(e) Transporter has the right to rely on a Releasing Shipper's notice and a Releasing Shipper shall defend and indemnify Transporter against any claims, losses, liabilities or expenses resulting from claims by any Replacement Shipper that it was not notified or that firm capacity was not recalled in accordance with the recall rights specified by the Releasing Shipper in its Offer.

(f) Reput Provisions

Transporter shall support the function of reputting by the Releasing Shipper. The Releasing Shipper may reput previously recalled capacity to the Replacement Shipper pursuant to the reput rights and methods identified in Releasing Shipper's Offer to release capacity, as required by Section 22.6(c)(4) below. When capacity is recalled, such capacity may not be reput for the same Gas Day. The deadline for notifying the Transporter of a reput is 8:00 a.m. CCT to allow for timely nominations to flow on the next Gas Day.

22.5 Billing and Payment

(a) Releasing Shippers.

(1) When a Releasing Shipper has released capacity under Rate Schedule FT-1 or FT-3 on a permanent basis, commencing with the effective date of the release, pursuant to Section 22.7(b) hereof, Transporter shall bill the Releasing Shipper for all capacity retained pursuant to the provisions of the Releasing Shipper's Service Agreement. In this circumstance, the Releasing Shipper shall not be liable for any amount of Transporter's invoice to the associated Replacement Shipper(s) that is unpaid.

(2) On the Releasing Shipper's bill for a Month in which it released capacity under Rate Schedules FT-1, FT-2 or FT-3 on a temporary basis, Transporter (i) shall bill for all capacity retained pursuant to the provisions of Releasing Shipper's Service Agreement, (ii) shall bill for all released capacity at the Conditional Reservation Rate under the Rate Schedule that the Releasing Shipper is receiving service and (iii) shall credit, subject to the terms of the Releasing Shipper's Service Agreement, all reservation charge revenues billed by Transporter to the Replacement Shipper, as applicable, for the released capacity under the applicable Addendum to the Capacity Release Umbrella Agreement (hereinafter referred to as "Credit Back"); provided, however, that in the event the Replacement Shipper fails to pay Transporter for any part of the Credit Back applied to the Releasing Shipper's bill, Transporter

may reverse such Credit Back on the Releasing Shipper's bill in a later Month up to the unpaid amount plus interest thereon calculated pursuant to GT&C Section 8.3. If the Replacement Shipper fails to pay its reservation charges pursuant to the provisions of GT&C Section 8, Transporter shall notify Releasing Shipper in accordance with the notification requirements specified in Section 22.12 below, and the Releasing Shipper may recall its capacity by notifying the Replacement Shipper and Transporter of such recall pursuant to the provisions of Section 22.4 above. All Credit Back amounts applied to the Releasing Shipper's bill shall be final and nonreversible upon Transporter's receipt of payment therefore from the Replacement Shipper, except in the event that a prior month adjustment occurs that results in Replacement Shipper not having made full payment to Transporter.

(b) Replacement Shippers.

The Replacement Shipper shall be obligated to pay Transporter all amounts specified in the Service Agreement between Transporter and the Replacement Shipper applicable to the volumes Transporter transports under the Replacement Shipper's FT-1, FT-2 or FT-3 Service Agreement or an Addendum to Replacement Shipper's Capacity Release Umbrella Agreement, as applicable. Transporter will retain the transportation charges, any associated volumetric surcharges and pro rata share in-kind of losses it receives from the Replacement Shipper. If any of the rates billed to and paid by the Replacement Shipper under its FT-1, FT-2 or FT-3 Service Agreement or an Addendum to Replacement Shipper's Capacity Release Umbrella Agreement, as applicable, and/or billed to and paid by the Releasing Shipper under its Service Agreements or credited to the Releasing Shipper's account pursuant to subsection 22.5(a)(2) hereof exceed the rate which the Commission determines to be just and reasonable, and Transporter is ordered to make refunds, the Replacement Shipper and/or the Releasing Shipper shall be eligible to receive refunds to the extent of any payments it made in excess of the rates the Commission subsequently determined to be just and reasonable; provided however, that the rate paid by Replacement Shipper in any capacity release transaction with a term of one (1) year or less which is not subject to the maximum rate cap will be deemed to be a final rate and is not subject to refund if the effective date of the release is on or before one (1) year from the date on which Transporter was notified of the release.

22.6 Offer and Bid Procedures

- (a) Offer of Firm Capacity: A Shipper desiring to release firm capacity pursuant to this Section 22 (a Releasing Shipper) shall submit via the

LINK® System, in accordance with the timelines set forth in Section 22.11 herein, a complete offer of firm capacity (herein called "Offer"). The Releasing Shipper agrees that its posted offer specifically is subject to the following conditions.

- (1) Once a Releasing Shipper's Offer is posted, it is binding until notice of withdrawal is received by Transporter on its LINK® System. The Releasing Shipper has the right to withdraw its Offer at any time during the bid period where unanticipated circumstances justify and no minimum Bid has been made. The reason for the withdrawal must be submitted to Transporter for posting.
- (2) Once a Releasing Shipper's offer is posted, the Releasing Shipper shall not be able to specify an extension of the original bid period or the prearranged deal match period, without posting a new release.

(b) Posting of Offers and Bids on the LINK® System:

Transporter shall post offers and bids, including prearranged deals, upon receipt; provided, however, offers and bids must be complete before posting. Only posted offers and bids will be available electronically. If a Releasing Shipper requests a later posting time, Transporter shall support such request insofar as it comports with the standard timeline set forth in Section 22.11. Any Releasing Shipper's Offer will be posted on the LINK® System and, where applicable, by electronic data interchange until the expiration of the Bid Period, except for those Releasing Shippers' Notices for capacity releases identified in Section 22.3(d)(1) above as not subject to competitive bidding, which shall not be subject to bidding but shall be posted on Transporter's LINK® System as soon as possible, but not later than the first nomination, after the release transaction commences. Transporter shall not post any minimum conditions that Releasing Shipper has elected not to disclose.

(c) Releasing Shipper's Offer: A Releasing Shipper's Offer submitted via the LINK® System shall be considered complete if the following standard information is included:

- (1) [Reserved for Future Use]
- (2) The contract number(s) of the Releasing Shipper's Service Agreement(s).
- (3) Whether the release is permanent or temporary.

- (4) If a temporary release,
 - (i) whether the release is non-recallable or is subject to a right of recall; and
 - (ii) if subject to recall, (1) whether the recall rights are on a full Day or a partial Day basis, (2) whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day, (3) the recall notification period(s), as identified in Section 22.4(b) above, that will be available for use by the parties, and (4) any reput methods and rights associated with returning the previously recalled capacity to the Replacement Shipper.
- (5) The Business Day on which the Bid Period and/or the match period will expire if Releasing Shipper desires to establish a Bid Period and/or a match period that is longer than Transporter's default as outlined in Section 22.11 herein;
- (6) The quantity of capacity per Day to be released, expressed as a numeric quantity only and whether bids for less than the full quantity offered are acceptable.
- (7) The term of the release and whether bids for less than the full term offered are acceptable.
- (8) The Primary Point(s) of Receipt and Primary Point(s) of Delivery at which the capacity is offered and the related Maximum Daily Receipt Quantity and Maximum Daily Delivery Quantity, as applicable, for each location.
- (9) Whether the Offer is subject to a Prearranged Release; if so, (1) the name of the prearranged bidder, (ii) whether such prearranged Replacement Shipper is affiliated with the Releasing Shipper, and (iii) whether the Prearranged Release is to an asset manager as part of an asset management arrangement as defined in Section 284.8(h)(3) of the Commission's regulations (and, if so, the volumetric level of the asset manager's delivery or purchase obligation and the time period during which that obligation is in effect) or to a marketer participating in a state-regulated retail access program as defined in Section 284.8(h)(4) of the Commission's regulations..

- (10) Any minimum reservation rate at which the bids must begin, whether the Releasing Shipper will accept bids on the reservation rate converted to a volumetric rate basis and whether the minimum reservation rate is inclusive or exclusive of any and all demand surcharges. All of the above rates shall be stated to the same number of decimal places as are the rates in Transporter's Tariff. Such minimum reservation rate may be specified as dollars and cents or percent of maximum tariff rate.
- (11) [Reserved for Future Use]
- (12) Whether bids may be submitted that are contingent on (i) the award of downstream capacity on another pipeline system, (ii) the success or failure of another bid for capacity on Transporter's Pipeline Facilities in the same offer/bid cycle, or (iii) any other type of contingency specified in the Offer; and (iv) the deadline for the removal of any contingency, if Releasing Shipper elects to allow the bidder additional time beyond the time period specified in Section 22.11 to remove such contingency.
- (13) For biddable releases, the economic criteria to be utilized by Transporter in determining the "best bid" which shall be, at Shipper's option: (i) highest rate, (ii) net revenue, or (iii) present value; or an alternative Shipper defined bid evaluation method; provided, however, such alternative Shipper defined bid evaluation method shall be applicable to all Replacement Shippers, not unduly discriminatory and must be set forth with sufficient specificity that Transporter's evaluation of the bids to determine the "best bid" is a purely ministerial matter that does not require any discretionary exercise of judgment by Transporter.

For index-based capacity release transactions, the releasing shipper should provide the necessary information and instructions to support the chosen methodology.

- (14) A nondiscriminatory tie breaker to be utilized in determining the "best bid" in the event two or more bids generate equal revenues.
- (15) which one of the following methods is acceptable for bidding on Releasing Shipper's Offer:
 - Non-Index based release – dollars and cents,
 - Non-Index based release – percentage of maximum rate, or
 - Index-based formula as detailed in Releasing Shipper's Offer.The bids for Releasing Shipper's Offer must adhere to the method specified by Releasing Shipper.

- (16) any additional terms and conditions of releases that are objective and non-discriminatory (e.g. limiting re-releases, changing Point(s) of Delivery and/or Point(s) of Receipt.) Transporter shall reject any Releasing Shipper's Offer that contains additional terms and conditions that are not consistent with the provisions of Transporter's Tariff.

The following information shall be supplied by Transporter for each Offer: (i) the maximum reservation rate (and reservation surcharges) applicable to the capacity; (ii) the maximum reservation rate (and reservation surcharges) converted to a 100% load-factor volumetric rate if the offer allows bids on a volumetric rate basis; (iii) the date and time the offer was submitted/posted on the LINK® System, and (iv) the date and time the Bid Period ends; the latter two items will be determined pursuant to the provisions of Section 22.11.

- (d) **Prearranged Release:** A Releasing Shipper must identify in its Offer any prearranged Replacement Shipper. Such prearranged Replacement Shipper must meet all of the requirements established for bidders pursuant to Section 22.8(a) and the prearranged Replacement Shipper shall initiate confirmation of prearranged release electronically, via the LINK® System in accordance with Sections 22.8(b) and 22.8(c). If the prearranged Replacement Shipper tenders a bid for the offered capacity which is not subject to the bidding requirements, as set forth in Section 22.3(d) herein, for the full capacity and term offered by the Releasing Shipper and satisfies all of the requirements of Sections 22.8(a), 22.8(b) and 22.8(c), that bid shall be deemed the best bid. In all other situations, the prearranged Replacement Shipper's bid shall constitute the minimum bid price for all other bidders, and shall be posted on the Releasing Shipper's Offer as such. If Transporter does not receive any better bid, based on the bid evaluation method specified by Releasing Shipper pursuant to Section 22.6(c)(13) above, that meets the essential terms of Releasing Shipper's Offer by the end of the Bid Period, set forth in Section 22.11 below, the prearranged Replacement Shipper's bid shall be deemed the best bid. If Transporter does receive a better bid meeting the essential terms of Releasing Shipper's Offer by the end of the Bid Period, the prearranged Replacement Shipper shall have the right to match the terms of the better bid, provided the prearranged Replacement Shipper gives notice to Transporter via the LINK® System pursuant to the timelines set forth in Section 22.11 below that it will match the essential terms of the better bid.

If the prearranged Replacement Shipper's bid matches the better bid, the prearranged Replacement Shipper shall be deemed to have made the best bid.

“Essential terms” for all purposes of Section 22.6 for bids or for the matching of any bid shall be determined solely by the Releasing Shipper consistent with the terms posted by the Releasing Shipper for such bids or the matching of any such bid. In the event of a dispute with respect to whether a bid has met the essential terms posted by Releasing Shipper or whether prearranged Replacement Shipper has matched a bid, Transporter shall bear no liability. Where a dispute arises with respect to a bid or a matching of a bid by a prearranged Replacement Shipper, Transporter shall not be obligated to provide services with respect to any capacity to be released pursuant to the Releasing Shipper's Offer to any party having submitted a bid or having attempted to match a bid until such dispute has been fully resolved. In this case the Releasing Shipper shall remain liable to Transporter for all obligations under its Service Agreement(s) including those associated with the capacity the Releasing Shipper sought to release to the prearranged Replacement Shipper until the dispute is, in the judgment of the Transporter, resolved.

22.7 Obligations of the Parties

(a) Replacement Shipper:

- (1) A Replacement Shipper must satisfy all of Transporter's tariff provisions governing Replacement Shipper eligibility and must execute all required agreements and acknowledgements before it is permitted to contract for released capacity. Once a bid on an Offer for a Temporary Release of capacity under Section 22.3(b) is accepted, the Replacement Shipper agrees that the Addendum to its Capacity Release Umbrella Agreement provided by Transporter pursuant to the timeline set forth in Section 22.11 below shall be binding and no further execution thereof shall be required.
- (2) Once the Replacement Shipper executes its FT-1 or FT-3 Service Agreement resulting from a Permanent Release, or for a Temporary Release, is provided with an Addendum to its Capacity Release Umbrella Agreement, the Replacement Shipper becomes an existing Shipper with separate firm contract quantities like any other Shipper and is subject to the applicable provisions of Transporter's FERC Gas Tariff, including but not limited to Transporter's billing and payment and operational provisions. In addition, the Replacement Shipper as an existing Shipper may also release its capacity pursuant to this Section 22 subject to the re-release rights specified by Releasing Shipper pursuant to Section 22.6(c)(16) above.

(b) Releasing Shipper:

- (1) The Service Agreement of the Releasing Shipper will remain in full force and effect, with a portion of the proceeds attributable to any release credited to the Releasing Shipper's bill as provided in Section 22.5(a)(2) above. The Releasing Shipper shall remain fully liable under its existing Service Agreement for the payment of all reservation charges for the contract quantity which has not been released, associated surcharges, fixed charges, and direct bills owing to Transporter each month under the existing Service Agreement, as well as for services performed for or penalties incurred by the Releasing Shipper under its Service Agreement with respect to any remaining capacity thereunder. Under Negotiated Rate agreements, Releasing Shipper is obligated to pay Transporter the difference by which the Negotiated Rate exceeds the rate paid by Releasing Shipper. Under Negotiated Rate agreements, Transporter and Releasing Shipper may agree upon payment obligations and crediting mechanisms which vary from or are different from those set forth in Transporter's capacity release provisions. However, no new obligation or liability is created as a result of such assignments of the rights and obligations under the Service Agreement.
- (2) If Transporter waives any credit requirements for a Replacement Shipper, Transporter shall limit the liability of Releasing Shipper to the extent of such credit waiver, unless Releasing Shipper agrees to the waiver. To the extent Transporter does not require continuing assurances of creditworthiness under Section 10.6 of the General Terms and Conditions for Replacement Shippers any less than it does for Releasing Shipper, Releasing Shipper continues to be liable.
- (3) Any Releasing Shipper retaining the right of recall must provide notification via the LINK® System to Transporter in accordance with the notice requirements set forth in Section 22.4 herein, provided such recall conforms to the recall terms of such Releasing Shipper's Offer and such recall does not constitute a waiver or modification of Section 11 of Transporter's General Terms and Conditions. Any Releasing Shipper may exercise a right of recall, subject to the provisions herein, in the event Replacement Shipper fails to pay part or all of the amount of any bill for service provided when such amount is due in accordance with Section 8 of the General Terms and Conditions.

(c) Transporter:

Transporter will be required pursuant to Section 21 of the General Terms and Conditions to provide the LINK® System for access by Releasing Shippers and Replacement Shippers participating in this Section 22 and to otherwise comply with the provisions of this section.

22.8 Bidding Procedures

- (a) Pre-qualified Bidder Requirements: All parties desiring to bid on firm capacity offered by a Releasing Shipper must be on Transporter's approved bidder list before bids may be submitted via the LINK® System. To be on the approved bidders list, such party must have an executed Capacity Release Umbrella Agreement, and must satisfy Transporter's credit requirements, as outlined in Section 10.6 of Transporter's General Terms and Conditions, at the time of any bid. Transporter will waive the creditworthiness requirement on a nondiscriminatory basis for potential Replacement Shippers and permit them to submit bids, if the Releasing Shipper provides Transporter with a guarantee or other form of credit assurance in form and substance satisfactory to Transporter of all financial obligations of the potential Replacement Shipper with respect to the capacity being released by Releasing Shipper prior to the commencement of service to the Replacement Shipper. Such credit appraisal shall be reevaluated and updated as outlined in Section 10.6(c). The Replacement Shipper shall remain on the approved bidders list until such Replacement Shipper notifies Transporter to the contrary, no longer meets the credit qualifications established in Section 10.6 of these General Terms and Conditions, or is suspended from the approved bidders list in the event, and for such time as, such Replacement Shipper fails to pay part or all of the amount of any bill for service in accordance with Section 8 of these General Terms and Conditions. The Replacement Shipper must satisfy all other Transporter tariff provisions governing Replacement Shipper eligibility before it may contract with Transporter for the released capacity. If a party does not qualify as a prequalified bidder pursuant to this Section 22.8(a), the party may not bid on a Releasing Shipper's offer.
- (b) Bidding Procedures: All bids on a Releasing Shipper's offer shall contain all of the requirements of Section 22.8(c) and shall be transmitted electronically to Transporter via the LINK® System in accordance with the timelines as set forth in Section 22.11 below. Transporter shall date and time stamp all bids as they are received and shall post complete bids on Transporter's LINK® System for the posting period pursuant to the provisions of Section 22.11. Transporter shall post for viewing by other parties during the bid period all bids received on a Releasing Shipper's offer, except for the names of the bidders. A separate bid shall be

submitted for each separate Releasing Shipper's Offer on which a bidder wishes to bid. The price bid on any offer of capacity must be submitted on a reservation charge basis unless the offer states that bids on a volumetric rate basis are acceptable. Bids for a rate that exceeds the Recourse Rate for the applicable service may be submitted if (i) the term of the proposed release is one year or less, and (ii) the effective date of the proposed release is on or before one year from the date on which Transporter is notified of the release. Such rate will be utilized in the determination of the "best bid" pursuant to Section 22.9(b) below. All bids on Temporary Releases of capacity must be for the specified Point(s) of Delivery and Point(s) of Receipt offered. The Point(s) of Delivery and Point(s) of Receipt awarded to the Replacement Shipper under this Section 22 shall constitute the initial Point(s) of Delivery and Point(s) of Receipt to which the Replacement Shipper is entitled under the Addendum to the Capacity Release Umbrella Agreement. The Replacement Shipper shall be allowed to add and/or delete Primary Point(s) of Delivery and Primary Point(s) of Receipt in accordance with Section 18 of the General Terms and Conditions, subject to available capacity and, if applicable, the consent of Releasing Shipper in a temporary release.

- (c) The bid shall include the following information:
- (1) The bidder's name and the name, telephone number and email address of a contact party for the bidder.
 - (2) The Offer number and contract number(s) of the Releasing Shipper's Service Agreement(s) on which the bid is being made.
 - (3) The reservation charge bid per Dth for the released capacity or the charge bid at a volumetric rate per Dth, as applicable stated to the same number of decimal places as are the rates in Transporter's Tariff and on the same basis as the minimum reservation rate in Releasing Shipper's Offer.
 - (4) [Reserved for Future Use]
 - (5) The term for which the bid is being made if the Offer allows bids on less than the term offered.
 - (6) If the Offer allows bids on less than the full capacity offered, the transportation capacity requested at each Point of Receipt and each Point of Delivery.
 - (7) If contingent bids for downstream pipeline capacity are allowed by the Offer, whether the bid is contingent on the award of capacity

on a downstream pipeline system, the name of the pipeline and the bid number.

- (8) If other contingencies are allowed by the Offer, whether the bid is subject to one of the contingencies allowed by the Offer.
- (9) [Reserved for Future Use]
- (d) Effect of Bids: Bids shall be binding on the bidder until notice of withdrawal is received by Transporter via the LINK® System. A bidder may withdraw, via the LINK® System, its bid on an Offer at any time prior to the end of the Bid Period, but any subsequent bids submitted by the bidder on that Offer during the Bid Period must be equal to or higher than the bidder's previous bid(s). Any bid not withdrawn will legally bind the bidder to the terms of the bid if Transporter chooses such bid as the "best bid" pursuant to Section 22.9(b) herein. Bids cannot be withdrawn after the Bid Period ends.

22.9 Bid Evaluation and Award of Capacity

- (a) Transporter's Initial Review: Upon receipt of all bids, Transporter shall engage in an initial review to determine if a bid will be deemed eligible for consideration as the best bid. Any bid deemed ineligible pursuant to this Section 22.9(a) shall be eliminated from consideration. A bid shall be deemed ineligible if:
 - (1) the bid (or bidder) does not comply with all of the terms and conditions and deadlines of this Section 22; or
 - (2) the bid submitted exceeds the bidder's preapproved credit term or limits; or
 - (3) the bid is for capacity at Point(s) of Delivery and Point(s) of Receipt other than those Point(s) specified in the Offer; or
 - (4) the bid does not meet the minimum terms of the Releasing Shipper's Offer; or
 - (5) the bid contains a contingency that is not allowed by the Offer or the bidder has not removed the contingency by the deadline set forth in the Offer.

(b) The Best Bid Determination:

- (1) All bids deemed to be eligible following Transporter's initial review pursuant to Section 22.9(a) above shall be reviewed in determining the best bid. The best bid shall be determined by Transporter pursuant to the objective criteria for determining the best bid set forth in the Releasing Shipper's Offer, as required by Section 22.6(c)(13) above. For releases where the Releasing Shipper's offer allows the reservation charge to be bid on a volumetric rate basis as well as a reservation charge basis, Transporter shall assume that the firm transportation quantity requested under a volumetric rate bid will be transported each Day of the release unless another calculation is specified in the offer by the Releasing Shipper. The best bid as determined herein or pursuant to the objective criteria posted by the Releasing Shipper shall be subject to the rights of a prearranged Replacement Shipper to match the bid in accordance with Section 22.6(d) above. In the event two or more bids are equivalent, they will be subject to the outcome of the tie breaker stipulated in the Releasing Shipper's Offer as explained in Section 22.9(c) below.
- (2) When Transporter makes awards of capacity for which there have been multiple bids meeting minimum conditions, Transporter shall award the bids, best bid first, until all offered capacity is awarded. If there is only one valid bid, Transporter shall award the capacity to the bidder that submitted such bid, subject to any prearranged Replacement Shipper's exercise of its matching rights. If there is more than one valid bid, then, subject to any prearranged Replacement Shipper's exercise of its matching rights, Transporter shall award the capacity to the bidder whose bid yields the highest value based on the bid evaluation method specified in Releasing Shipper's Offer, taking into account the price, volume and term of the bid, as applicable. In the event two or more bids yield the highest value, they will be subject to the outcome of the tie breaker stipulated in the Releasing Shipper's Offer, as explained in Section 22.9(c) below.
- (3) For purposes of determining the value of a bid, Transporter shall use only the Reservation Charge (including Reservation Charges stated on a volumetric basis). If the bid evaluation method specified by the Releasing Shipper is present value, Transporter shall use a discount rate of ten (10) percent.
- (4) In the event both a contingent bid and a non-contingent bid meet the minimum conditions specified in Releasing Shipper's Offer and

generate the "best bid", Transporter shall reject the contingent bid, even if the bid with no contingency was received later in time.

- (5) If the winning bid is a contingent bid, the bidder that submitted such contingent bid will be required to satisfy or eliminate any contingency in accordance with the capacity release timeline set forth in Section 22.11 below or in the Releasing Shipper's Offer, as applicable, and shall confirm to Transporter via e-mail to link-help@[spectraenergyenbridge.com](mailto:link-help@spectraenergyenbridge.com) that the contingency has been satisfied or eliminated. In the event that such bidder fails to satisfy or eliminate its contingency pursuant to this subsection (5), the capacity will be awarded to the next highest bidder(s) as determined pursuant to this Section 22.9(b).
 - (6) Transporter shall not award capacity release offers to the Replacement Shipper until and unless the Replacement Shipper meets Transporter's creditworthiness requirements applicable to all services it receives from Transporter, including the service represented by the capacity release.
- (c) Tie Breaker: If there is a tie for the best bid, and there is no prearranged Replacement Shipper who has agreed to match the best bid, the winning bid shall be determined by applying the tie breaker stipulated in the Releasing Shipper's Offer. The Releasing Shipper may specify one of the following tie breakers or a different tie breaker so long as it is objective, nondiscriminatory and can be applied by Transporter.
- (d) Award of Capacity: Upon completion of the best bid determination, Transporter shall notify Releasing Shipper, the Replacement Shipper and any prearranged Replacement Shipper via the LINK® System of such determination in accordance with the timelines set forth in Section 22.11 below. Transporter shall provide an Addendum to the Replacement Shipper's Capacity Release Umbrella Agreement, in the Form of Service Agreement contained in this Tariff, to the Replacement Shipper via e-mail. Such Addendum will reflect the terms of the Replacement Shipper's winning bid. Transporter will notify Releasing Shipper with recall rights of the name of new Replacement Shipper(s) who subsequently obtain all or a portion of the awarded capacity after the Addendum to the Capacity Release Umbrella Agreement is tendered. Following the award of the capacity, Transporter shall post notice and the details of the winning bid, including the Replacement Shipper's name, on the LINK® System and by electronic data interchange, pursuant to the provisions set forth in Section 22.11 below.

- (e) If no bids are submitted by the required deadline pursuant to Section 22.11, the LINK® System will reflect that the Releasing Shipper's Offer has expired.

22.10 Offers to Purchase Firm Capacity

Transporter agrees to post on the LINK® System at a party's request offers to purchase releasable firm capacity on a permanent or temporary basis. Each offer will remain on the LINK® System for a period of one (1) month or until a transaction is effected, whichever is shorter.

Such offers must be submitted to Transporter via email to link-help@spectraenergyenbridge.com. These offers must include, at a minimum, the following information:

- The party's name and complete contact information,
- Whether capacity is requested on a temporary or permanent basis,
- Quantity(ies) requested,
- Date range desired,
- Location information (Receipt Point(s) and Delivery Point(s)) and the associated Maximum Daily Receipt Quantity and Maximum Daily Delivery Quantity,
- Price per Dth being offered,
- Whether the party will accept a temporary release with recall rights, and, if so, what recall rights would be acceptable,
- Whether the request is contingent, and, if so, the basis for the contingency, and
- Other terms and conditions specified by the requesting party.

All such parties must have met the Pre-qualified Bidder Requirements pursuant to this section 22.

22.11 Capacity Release Timeline

The proposed duration of the Releasing Shipper's release determines the minimum bid period for Releasing Shipper's Offer pursuant to this Section 22. The Capacity Release Timeline applies to all parties involved in the capacity release process provided that: (a) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered and (b) for index-based capacity release transactions, the Releasing Shipper has provided Transporter with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and (c) there are no special terms or conditions to the release. Further, Transporter may complete the capacity release process on a different timeline if the Offer includes unfamiliar or unclear terms and conditions (e.g. designation of

an index not supported by Transporter).

(a) For biddable releases (1 year or less):

- Offers should be tendered such that they can be posted by 9 a.m. on a Business Day;
- Open season ends at 10:00 a.m. on the same or a subsequent Business Day;
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.;
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30, a.m. and the Award is posted by 12:00 Noon.
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.
- Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 11 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Shipper's Offer.

(b) For biddable releases (more than 1 year):

- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.

- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon.

- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).

- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

- Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 11 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Shipper's Offer.

(c) For non-biddable releases:

- The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2 and Section 11 of these General Terms and Conditions. The posting deadlines are:

-Timely Cycle	12:00 Noon
-Evening Cycle	5:00 p.m.
-Intraday 1 Cycle	9:00 a.m.
-Intraday 2 Cycle	1:30 p.m.
-Intraday 3 Cycle	6:00 p.m.

- Prior to the nomination deadline for the chosen cycle for the begin date specified in Releasing Shipper's Offer, the prearranged Replacement Shipper must initiate confirmation of prearranged deals electronically.

- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).

- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

- Such nominations will be processed in accordance with the nomination and scheduling requirements of Section 11 of the General Terms and Conditions; however, in no circumstance will Gas flow prior to the effective date of the release as specified in Releasing Shipper's Offer.

(d) Timeline for non-standard releases

For the capacity release business process timing model, only the following methodologies are required to be supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, shall be used in determining the awards from the bid(s) submitted. They are (1) highest rate, (2) net revenue, and (3) present value. For index-based capacity release transactions, Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology. Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) or any special terms or conditions, will be accorded the same timeline evaluation treatment; provided, however, one additional Business Day will be added to the evaluation period. Subsequent deadlines will be delayed by such additional Business Day, causing Gas flow to occur at least one Day later than under the standard timelines set forth in Sections 22.11(a) and 22.11(b) above.

22.12 Notices to Releasing Shippers:

Transporter should provide the original Releasing Shipper with Internet e-mail notification reasonably proximate in time with any of the following formal notices given by the Transporter to the Releasing Shipper's Replacement Shipper(s), of the following:

- (1) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to Transporter's Tariff;
- (2) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;
- (3) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and
- (4) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to Transporter's Tariff.

22.13 Transporter's Rights to Terminate Temporary Capacity Releases:

In the event of a temporary release for which (a) Transporter has given notice of termination of Releasing Shipper's contract because Releasing Shipper no longer satisfies Transporter's credit requirements as outlined in Section 10.6 of these General Terms and Conditions and (b) the Reservation Charge specified in the effective Addendum to Replacement Shipper's Capacity Release Umbrella Agreement is less than the level of the Reservation Charge which Releasing Shipper was obligated to pay Transporter (or, if Releasing Shipper is paying a Negotiated Rate, the total of all reservation-type and commodity-type charges), then Transporter shall be entitled to terminate the Addendum, upon 30 Days' written notice to Replacement Shipper, unless such Replacement Shipper agrees

prior to the end of said 30-Day notice period to pay for the remainder of the term of the Addendum one of the following: (i) the reservation and commodity charges at levels which Releasing Shipper was obligated to pay Transporter, (ii) the applicable maximum tariff rate, or (iii) such rate as mutually agreed to by Transporter and Replacement Shipper. Replacement Shipper may elect to pay the lowest of the foregoing three options. Transporter's right to terminate the Addendum is subject to Transporter providing written notice of termination to Replacement Shipper within 60 Days of the determination by Transporter that Releasing Shipper no longer satisfies Transporter's credit requirements. Termination of the Addendum shall not occur prior to termination of Releasing Shipper's contract.

FERC NGA GAS TARIFF

FILED AGREEMENTS

of

NAUTILUS PIPELINE COMPANY, L.L.C.

filed with

FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff
should be addressed to:

~~Janice K. Devers~~[Christopher Harvey](#)
Director, ~~Tariffs~~[Regulatory](#)
Nautilus Pipeline Company, L.L.C.

Mailing address: P.O. Box 1642
Houston, TX 77251-1642

Street address: 5400 Westheimer Court
Houston, TX 77056-5310

Telephone number: (713) 627-~~6170~~[5113](#)

Email: ~~janice.devers~~Christopher.Harvey@enbridge.com

FERC NGA GAS TARIFF
STATEMENTS OF NEGOTIATED RATES
of
NAUTILUS PIPELINE COMPANY, L.L.C.
filed with
FEDERAL ENERGY REGULATORY COMMISSION

Communications concerning this Tariff
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~~Janice K. Devers~~[Christopher Harvey](#)
Director, ~~Tariffs~~[Regulatory](#)
Nautilus Pipeline Company, L.L.C.

Mailing address: P.O. Box 1642
Houston, TX 77251-1642

Street address: 5400 Westheimer Court
Houston, TX 77056-5310

Telephone number: (713) 627-~~6170~~[5113](#)

Email: ~~janice.devers~~Christopher.Harvey@enbridge.com

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all affected customers of Nautilus Pipeline Company, L.L.C. and interested state commissions that have requested electronic service.

Dated at Houston, Texas, this 22nd day of October, 2020.

/s/ Lauren Carr

Lauren Carr
On behalf of
Nautilus Pipeline Company, L.L.C.