

AGT:

Algonquin Gas Transmission, LP Scheduling Process:

The purpose of this posting is to further clarify and enhance customers' understanding of Algonquin's Scheduling Process

1. Timely Nominations

All requests for service (nominations) by customers either via direct input into the LINK[®] system or via EDI made prior to the Timely Cycle deadline (01:00 p.m. CCT for nominations leaving the control of the customer and 01:15 p.m. CCT for receipt of such nominations by Algonquin) are validated in the LINK[®] system for compliance with contract and Tariff provisions. Subsequent to the Timely Cycle deadline and after these nominations have been validated by LINK[®], they are aggregated to determine the pipeline's ability to physically handle the requests for service. If total requests for service exceed the pipeline's operationally available capacity, the nominations are restricted in accordance with the General Terms and Conditions of Algonquin's FERC Gas Tariff. Once the nominations have been approved for compliance with contractual, tariff and operational capacity limitations, they are considered "scheduled".

Upon completion of this process, Algonquin posts that Timely Cycle nominations have been scheduled. The actual timing of this posting may vary from day to day but will occur before the NAESB required 5:00 PM CCT deadline for the posting of Timely Cycle scheduled quantities. The posting that requested volumes have been scheduled will be made under Non-critical Notices. To communicate any system restrictions, seals or capacity constraints Algonquin will post under Critical Notices the specific description of these limitations for the particular gas day.

After Algonquin has posted that Timely Cycle nominations have been scheduled, Meter Level Capacity Postings (MLCP) and Operationally Available Capacity Maps (OACM) will be made available in the LINK[®] system under the Informational Posting category in accordance with FERC posting requirements. There will be a lag between when the non-critical posting that volumes have been scheduled is issued and when the actual posting of the MLCP & OACM occur due to computer processing requirements. This interval is expected to be approximately one hour under normal circumstances.

2. Subsequent Hourly Nomination Authorizations

Once Timely Cycle nominations have been scheduled, Algonquin will examine, on an hourly basis, all subsequent nomination requests and either accept or reject these nominations according to the restrictions or seals that have been established. These hourly batch analyses will schedule interim nominations throughout the gas day. FERC bumping rules will apply to the individual hourly scheduling batches.

The scheduling occurs hourly through to the end of the gas day. Algonquin accepts customer nominations up until the last hour of the gas day (i.e. 8:00 AM of the Gas Day) for processing and scheduling. Any nomination changes in the last hour of a gas day (between 8:00 AM and 9:00 AM) will require approval by Algonquin Operations Account Manager.

As each hourly scheduling process is complete, Algonquin will initiate the process to post on Infopost the Meter Level Capacity Postings (MLCP) and the Operationally Available Capacity Maps (OACM). The hourly batch scheduling processes begin at the top of each hour and typically are complete by quarter after the hour. The process to assemble and post the MLCP and the OACM takes approximately an hour. Including the Timely Cycle, Algonquin schedules nominations up to forty-five times for any gas day (twenty-one pre-Gas Day cycles and twenty-four intraday Gas Day cycles).

These documents will have the time-stamp of when the scheduling occurred. The cross reference below will assist in identifying what NAESB Cycle the Algonquin posting pertains to. It is included here as a convenience to the user to assist in identifying where the particular MLCP and/or OACM fit in the gas day progression:

Algonquin NAESB Cycle

Timely Timely nominations

LateEvening nominations (through 6 pm)

LateIntraday 1 (after 6 pm)

IntrdayIntraday 2

IntrdayIntrady 3

These postings will be archived for 90 days on the website. Archived copies older than 90 days, and up to three years, are available upon request.

3. Scheduling Methodologies:

In accordance with the Algonquin FERC Gas Tariff, Algonquin has two within-path priorities and one out-of-path priority which is the lowest priority. Priorities are established at the time of the nomination and are evaluated on a contract level. During the scheduling process, the out-of-path priority is further broken down to an "A" and a "B" level. "A" has a higher priority than "B" as "A" indicates the shipper has entitlement rights at the location of the constraint while a "B" indicates the shipper does not have entitlements at the location of the constraint.

4. Definitions

Terms used in the postings include:

"Restricted: Requests for service have been cut according to Tariff priorities to establish service within the operational capabilities of the pipe.

"Scheduled: Nominations have been authorized in accordance with the available capacity of the referenced area.

"Seal: Pipe has established a capacity constraint and will not allow nominations to exceed the posted capacity of that area. It does not, in and of itself, indicate reduction of requests for service.