

Cash-Out Procedures

The Company has a set process in place to ensure that the provisions outlined in the Monthly Imbalances section in Article 5 of its Tariff are applied uniformly and consistently to all transportation customers.

At the beginning of each month—typically between the 3rd and 5th business day—the previous month's business is closed. After closing, all transportation customers and/or their agents are notified via e-mail that the 15-day period in which they are allowed to remedy any imbalance outside the $\pm 5\%$ monthly imbalance tolerance window has commenced. During this 15-day period, customers have the ability through nomination or imbalance trading to bring any monthly imbalance to within the $\pm 5\%$ tolerance window. After the end of the 15-day period, any remaining imbalances outside the tolerance window are cashed out as described in the Tariff. Positive imbalances will be cashed out using the lowest price allowed. Negative imbalances will be cashed out using the highest price allowed. A cashout transaction is summarized on the customer's billing statement. In the case of a positive imbalance cashout—a transaction in which the Company purchases gas from a customer—a payment is issued to the customer.

If any problems or errors are encountered which affect a customer's imbalance position or the timing of the 15-day period, consideration in regard to the timing of a cashout will be given to any customer affected.