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October 11, 2017

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Northwest Pipeline LLC
Docket No. RP18-
Operational Flow Order and Entitlement Revisions Filing

Dear Ms. Bose:

Northwest Pipeline LLC (Northwest) hereby submits for filing with the Federal Energy Regulatory Commission (Commission) pursuant to Part 154 of the Commission's Regulations,¹ the following revised tariff records as part of its FERC Gas Tariff, Fifth Revised Volume No. 1 (Tariff):

Third Revised Sheet No. 229	Second Revised Sheet No. 232-A
Third Revised Sheet No. 229-A	Third Revised Sheet No. 232-B
Fourth Revised Sheet No. 232	Third Revised Sheet No. 232-C

Statement of Nature, Reasons and Basis for the Filing

The purpose of this filing is to make changes to Northwest's Tariff by (1) reorganizing and updating General Terms and Conditions (GT&C) Section 14.15 regarding Operational Flow Orders (OFO), and (2) updating the procedures in GT&C Section 14.6 for notifying shippers of declared entitlement periods on Northwest's system.

Background

Northwest's system is designed with specific displacement assumptions, requiring that certain offsetting volumes must be scheduled to flow in one direction in order for customers shipping in the opposite direction to receive their contracted quantities. As such, Northwest's tariff contains provisions that protect displacement and help alleviate operating conditions that may threaten Northwest's ability to provide firm service.

¹ 18 C.F.R. Part 154 (2016).

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On October 6, 1994, Northwest submitted two simultaneous filings to provide tariff language to implement changes to its balancing provisions and to provide mechanisms regarding OFOs on Northwest's system which enumerate the circumstances under which these conditions will be invoked and administered.² Through a number of technical conferences and compliance filings the Commission approved the filings which provide the basis for the proposed tariff changes submitted herein.³ Further, Northwest's GT&C Section 14.15 was modified as a result of Orders No. 637⁴ and 637-A⁵ (Orders) in which, among other items, the Commission required pipelines to revise their tariffs to adopt objective standards and procedures for the use of OFO's. The Commission approved the filings Northwest submitted to comply with these Orders.⁶ In the instant filing, Northwest does not propose any changes that are contrary to the Commission's direction in those Orders, it is simply proposing to provide more detail and clarity regarding OFO procedures and communications.

Proposed Changes

To provide clarity regarding certain Tariff sections, Northwest proposes to make the following changes:

OFO Operational Conditions Definition. A proposed modification to GT&C Section 14.15 (b) will limit the conditions under which an OFO may be issued. Northwest may issue an OFO when certain operating conditions jeopardize Northwest's ability to meet its firm transportation commitments. The current tariff language includes two conditions that are not related to OFOs, but are related to entitlements. The tariff language states that "an OFO may be issued when scheduled receipt and deliveries: (i) will not maintain sufficient operating pressures required to satisfy firm transportation commitments; (ii) will not prevent insufficient or excessive line pack for firm transportation commitments, and ..." These two conditions are related to what Northwest's Tariff describes as "Entitlements" and are covered by the conditions of GT&C Section 14.6 of the Tariff. The proposed tariff language will include only one condition under which Northwest will issue an OFO, and it reads as follows:

An OFO may be issued when the primary firm nominations through a given constraint point exceed the greater of the physical design capacity or the posted operationally available capacity for a given day. Transporter will not issue an

² See Northwest Pipeline Corp. submissions of Tariff sheets for filing and acceptance in Docket Nos. RP95-5 (Entitlement and Imbalance Filing) and RP95-6 (Operational Flow Order Filing).

³ See Northwest Pipeline Corp., 71 FERC ¶ 61,389, 62,520 (1995); Northwest Pipeline Corp., 74 FERC ¶ 61,059, 61,150 (1996); Northwest Pipeline Corp., 71 FERC ¶ 61,315, 62,221 (1995); Northwest Pipeline Corp., 73 FERC ¶ 61,040, 61,090 (1995).

⁴ *Regulation of Short-Term Nat. Gas Transportation Servs., & Regulation of Interstate Nat. Gas Transportation Servs.*, 90 FERC ¶ 61,109 (2000).

⁵ *FERC Statutes and Regulation of Short-Term Nat. Gas Transportation Servs., & Regulation of Interstate Nat. Gas Transportation Servs.*, 91 FERC ¶ 61,169 (2000).

⁶ Order on Compliance with Order No. 637 and Second Order on Compliance with Order Nos. 587-G and 587-L, 100 FERC ¶ 61, 347 (2002); Order No. 637 Compliance Filing, Docket Nos. RP00-412-001 and 002 (2003).

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OFO when Transporter's inability to meet firm transportation commitments is due to scheduled or unscheduled maintenance, force majeure, or the Unavailability of Transporter's Facilities.

In summary, this proposed change provides clarity as to the only condition under which an OFO will be issued, and removes any potential confusion caused by including entitlement conditions in the section dealing the issuance of OFOs.

Eliminate the OFO Requirements Section. Section 14.15 (c) provides information to the Shippers about what actions may be required once Northwest has issued an OFO. Because Northwest has proposed in this filing to include the information contained in Section 14.15(c) in later sections of Section 14.15, Northwest proposes to eliminate this section and reserve it for future use.

Titles for OFO Types under the Order of Operational Remedies. Titles have been added to Section 14.15 (d) to place labels on the different steps of operational remedies that Northwest may utilize when issuing an OFO. The added titles provide specificity to the tariff language and include terminology commonly used by Northwest and its shippers in describing the different types of OFOs utilized on Northwest's system (i.e. contract-specific, realignment, and must-flow OFOs).

Inclusion of the Criteria for Shippers to be Included in Realignment or Must-Flow OFOs. Language has been added to Sections 14.15 (d) (iii) and (iv) that specifies the criteria for shippers to be included in realignment and must-flow OFOs. This proposed language was previously included in the individual shipper OFO notices that were sent by Northwest after an OFO was issued. Northwest is proposing to include this descriptive language in its Tariff for clarity to all shippers. This added language will provide more detail in the Tariff as to who may be included in these types of OFOs. By this language, Northwest is not proposing any fundamental change to how these OFOs are administered or the groups of shippers that have historically been categorized in each of these types of OFOs, rather it is simply providing more detailed language in its Tariff.

A realignment OFO shipper is a shipper who holds a contract with receipt point capacity on both sides of a constrained point, with unutilized receipt point capacity on the downstream side of the constrained point, and has scheduled gas in the constrained direction. A realignment OFO shipper is required to realign receipt nominations that were scheduled through the constrained point to receipt points on the opposite side of the constraint point or voluntarily reduce nominations through the constrained point by the volume which is subject to an OFO. By realigning or reducing supply in the constrained direction, a realignment OFO shipper meets its obligation to assist in alleviating the operating condition.

A must-flow OFO shipper is a shipper that holds a contract with a primary path that provides displacement gas through the constrained point. Must-flow OFO shippers are required to nominate a pro rata share (based on primary firm corridor rights) of gas to provide the necessary displacement to alleviate the operating condition regardless of the amount of gas previously

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nominated for the given gas day. This is the last step employed to provide the displacement volumes necessary to alleviate the operating condition that prompted the issuance of an OFO.

Realignment OFO – Timely Scheduled Quantities.

Northwest added language to Section 14.15 (d) (iii) requiring realignment OFO shippers to maintain the scheduled quantities from the applicable Timely nomination cycle for receipt points on the opposite side of an OFO constraint point through the end of the gas day on which the OFO was declared. The OFO is initially calculated based on scheduled quantities from the Timely nomination cycle which establishes the OFO obligations for all shippers. If Shippers were allowed to reduce their nominations on the opposite side of the constraint after the Timely nomination cycle, it would result in an improper allocation of OFO obligations. To ensure shippers have not avoided an OFO obligation by reducing their Timely nominations on the opposite side of the constraint, Northwest runs a second OFO calculation at the end of the gas day to verify that all shippers have complied with the tariff and their respective OFO obligations. In any event, a Shipper subject to this type of OFO is not be required to exceed the sum of their Maximum Daily Quantities on the opposite side of the OFO constraint point or its primary corridor rights through a given constraint point.

The requirement that scheduled quantities must be maintained from the Timely nomination cycle has been a longstanding business practice for Northwest and its shippers. This requirement is included as part of the OFO procedures posted on Northwest's designated site and is now being proposed to be included in the tariff.

OFO Threshold. Northwest proposes to establish a minimum threshold of 100 Dth when calculating a realignment or must-flow OFO obligation. Contract(s) that have an OFO obligation which is less than the threshold amount will not be assessed an OFO obligation for that gas day. Northwest and its shippers have agreed that the establishment of this threshold will ease the administrative burden of compliance for *de minimis* quantities without causing operational harm.

OFO Notice and Posting Requirements. Currently, GT&C Section 14.15 (e) contains consolidated notice and posting procedures for the declaration and issuance of an OFO. Northwest proposes to modify this section to provide clarity and specificity regarding information that will be posted on the portal, and what types of notifications will be sent to customers.

- i. Critical Notice. Northwest will continue to make reasonable efforts to notify shippers of potential operational problems that may lead to the issuance of an OFO. Northwest will declare an OFO for a specific constraint point via a critical notice to all shippers identifying the effective date and the likely duration of the OFO.
- ii. Portal Posting Requirements. Northwest will continue to provide on its designated site information on each day the OFO is in effect. This information includes the applicable gas day the OFO is in effect, location, threshold capacity, primary nominations for the Timely cycle, and the type of OFO issued.
- iii. Individual Shipper Notice. A notice will be sent to the affected shippers that will specify their actual OFO obligation and the required actions necessary to comply with the OFO. The provisions regarding the duration of the OFO have been moved to the "Portal Posting Requirements" section of the designated site. The notice will include the specific

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constrained point location. If a shipper has OFO obligations for multiple constrained points, the shipper will receive individual notices identifying the OFO obligation for each constrained point. Since the introductory sentence to proposed Section 14.15 (b) provides only one condition under which OFO's will be issued, i.e. when primary firm nominations through a given constraint point exceed its capacity, Northwest proposes to remove the requirement in Section 14.15(e)(iii) to provide the justification for the issuance of the OFO from the notice as it is unnecessary.

- iv. Follow-up Posting Requirement. Northwest is proposing to remove this reporting requirement for this section as it is unnecessary.⁷ Currently, Section 14.15 (b) includes language that after OFOs have been issued, Northwest will post to its Designated Site information regarding the factors that caused the OFO to be issued and lifted. This language was added to Northwest's Tariff pursuant to direction in the Orders in which pipelines, among other requirements, were directed to "establish reporting requirements that provide information after OFOs are issued on the factors that caused the OFO to be issued and then lifted."⁸ Since the issuance of the Orders, Northwest has been using the term "entitlements" to refer to overtake and undertake situations which jeopardize system integrity, and the term "OFO" to refer to contractual flow requirements utilized to create displacement capacity needed to meet firm transportation obligations. Since there are a variety of factors that could cause overtake and undertake situations, this reporting requirement would be more appropriate, and more consistent with the intent of the Orders, to relate to the system conditions that lead to the declaration of an entitlement and factors that caused it to be lifted. Because this tariff provision and the related reporting requirement applies to what Northwest's Tariff describes as entitlements, and not what it describes as OFOs, Northwest proposes to move this language from Section 14.15 (b) to Section 14.6 "Declared Entitlements."

Declared Entitlement Notice and Posting Requirements. Under GT&C Section 14.6, Northwest may declare an entitlement period, during which unauthorized overrun or underrun provisions apply as a result of an interruption or curtailment due to capacity constraints, supply interruptions, or the existence of any undertake or overtake situation which jeopardizes system integrity. During an entitlement period, shippers are required to ensure that their scheduled receipts/deliveries are within a certain percentage of their actual measured receipts/deliveries, or pay penalties. For consistency, Northwest is proposing to make similar changes to GT&C Section 14.6 as it proposed for GT&C Section 14.15 (e) regarding how Northwest will communicate to customers information about entitlement conditions.

Declaration of Entitlement Period via Portal Posting. Northwest will issue an entitlement period by posting a critical notice to its designated site notifying Receiving Parties⁹ when the

⁷ Shippers will still have information regarding the OFO as Northwest will continue to make reasonable efforts to notify shippers of potential operational problems as well as following the procedures of posting information in GT&C Section 14.15(e).

⁸ Regulation of Short-Term Nat. Gas Transportation Servs. & Regulation of Interstate Nat. Gas Transportation Servs., 90 FERC ¶ 61,109 at p. 155 (2000).

⁹ A "Receiving Party" is the delivery point operator that controls the facilities into which gas is delivered for Shipper.

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entitlement will be in effect. Coincident with this critical notice being posted on the designated site, email notifications will be sent to all shippers that have elected to receive critical notices. Identical language to Section 14.15 (e) regarding the shippers responsibility to provide an operational contact to receive these types of notices has been included in this section.

Declared Entitlement Period Notice. The proposed modifications to GT&C Section 14.6 (b) (ii) specify the information that will be provided in the All Shippers Notice that will be sent to Receiving Parties when a general system or customer-specific entitlement is declared. The notice will: include the date and time that the entitlement is considered to be effective, identify the portion of the system that is contributing to the operational problem, specify whether the entitlement is an overrun or an underrun entitlement and the percentage stage of entitlement, and include any other terms that may be reasonably required by Northwest to ensure the effectiveness of the entitlement.

Northwest reviewed these proposed tariff changes with its customers to resolve any issues regarding the filing.

Waiver Requests and Effective Date

Northwest requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing. Northwest requests an effective date of November 10, 2017, for the proposed tariff records included in this filing.

Procedural Matters

Pursuant to the applicable provisions in Section 154 of the Commission's regulations, Northwest submits an eTariff.xml filing package that contains the following items:

- proposed tariff records;
- marked tariff records;
- Appendix;¹⁰ and
- transmittal letter.

Service and Communications

In compliance with 18 C.F.R. § 154.7(b), Northwest certifies that copies of this filing have been served electronically upon Northwest's customers and upon interested state regulatory commissions.

All communications regarding this filing should be served by e-mail to:

¹⁰ The appendix has been included for the ease of the reader in viewing changes to the tariff language that does not include red-line edits related to pagination changes.

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The undersigned certifies that the contents of this filing are true and correct to the best of his knowledge and belief; that the electronic versions of the submitted tariff records contain the same information; and that he possesses full power and authority to sign this filing.

Respectfully submitted,

Northwest Pipeline LLC

Laren Gertsch
Director, Rates & Tariffs

Enclosures

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.6 Declared Entitlement Period.

(a) General. A Declared Entitlement Period is a time period, declared by Transporter, during which unauthorized overrun or underrun provisions apply as a result of an interruption or curtailment due to capacity constraints (including constraints that cause Deficiency Periods as defined in Section 10.2 of Rate Schedule TF-1), supply interruptions, or the existence of any undertake or overtake situation which jeopardizes system integrity.

(b) Declared Entitlement Notice, Contents and Procedures.

(i) Declaration of Entitlement Period via Portal Posting

As early as reasonably possible but no later than two hours prior to commencement of the gas day, Transporter will notify Receiving Party(s) when a Declared Entitlement Period is in effect. Transporter may not announce a Declared Entitlement for the coming gas day after close of the confirmation process (Evening Nomination Cycle) on the day prior to such gas day unless (i) Transporter has given a warning based on available data by posting to Transporter's Designated Site the possibility of a Declared Entitlement Period prior to the close of such confirmation period, or (ii) changes to operational circumstances or data occur after the close of such confirmation process which Transporter determines require a Declared Entitlement.

Operating conditions that may trigger post-confirmation, same-day entitlements are extensive supply failure, storage facility failure, pipeline or compression failure, excess linepack drafting, unexpected and extremely cold weather, or firm curtailment. Transporter will provide Shippers with actual notice of such operating conditions in the form of a posting an All Shippers Notice to Transporter's Designated Site, ~~telephone call, email and/or fax.~~

Each Shipper shall designate an operational contact, and/or a third party designee, for Transporter to notify on a 24-hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper shall be solely responsible for any consequences arising from such failure of communication.

(ii) Declared Entitlement Period Notice

To issue a general system or customer-specific Declared Entitlement Period, Transporter will post an entitlement notification that contains the following:

- (a) ~~Time and Date of issuance; Specify the Declared Entitlement Period, and~~
- (b) ~~Date that the entitlement is considered effective; Identify that portion of the system contributing to the operational problem and, in the case of a customer-specific entitlement, provide specific notification to the Receiving Party(s) that have exceeded their current cumulative imbalance tolerance, based on the previous month's total confirmed nominations, using the Tolerance Limit set forth in Sections 15.3. Transporter will not issue a customer-specific Receiving Party entitlement for the same time period and portion of the system in which a general system Declared Entitlement Period has been issued. Due to operational constraints on Transporter's system, there may be instances when a general system Declared Entitlement Period will apply to Transporter's entire system, and~~
- ~~(c) Specify the entitlement as either an overrun or an underrun entitlement and will specify the percentage, as detailed in Section 15.5(c), by which a Receiving~~

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

~~Party's unauthorized overruns or underruns may differ from daily entitlements, as outlined in Section 15.5(b), before Section 15.5 penalties are imposed.~~

~~(c) Identify that portion of the system contributing to the operational problem and, in the case of a customer-specific entitlement, provide specific notification to the Receiving Party(s) that have exceeded their current cumulative imbalance tolerance, based on the previous month's total confirmed nominations, using the Tolerance Limit set forth in Sections 15.3. Transporter will not issue a customer-specific Receiving Party entitlement for the same time period and portion of the system in which a general system Declared Entitlement Period has been issued. Due to operational constraints on Transporter's system, there may be instances when a general system Declared Entitlement Period will apply to Transporter's entire system;~~

~~(d) Specify the entitlement as either an overrun or an underrun entitlement and will specify the percentage, as detailed in Section 15.5(c), by which a Receiving Party's unauthorized overruns or underruns may differ from daily entitlements, as outlined in Section 15.5(b), before Section 15.5 penalties are imposed; and~~

~~(e) Any other terms Transporter may reasonably require to ensure the effectiveness of the Declared Entitlement Period.~~

~~After an entitlement has been lifted, Transporter will post to its Designated Site information on factors that caused the entitlement to be issued and then lifted.~~

If deliveries to Receiving Party exceed scheduled and authorized volumes during any day that such a general system or customer-specific Declared Entitlement Period is in effect or deliveries are less than scheduled and authorized volumes in an undertake situation, the unauthorized overrun or underrun charge provisions as described in Section 15 of the General Terms and Conditions will apply.

The provisions of Section 14.3, Nomination Changes After the Start of the Gas Day, are applicable to allow Shippers to adjust receipts and/or deliveries as necessary during such Declared Entitlement Period.

14.7 Records of Scheduled Quantities. Transporter shall keep accurate records of the quantities of gas nominated and scheduled for transportation, and any imbalances, which records shall be made available to Receiving Party or Shipper upon request. If Receiving Party's gas is commingled with other gas at the point of receipt or at the point of delivery, the scheduling arrangements and Transporter's

records shall include procedures for the allocation of the total quantity at such points.

GENERAL TERMS AND CONDITIONS (Continued)

14. OPERATING CONDITIONS (Continued)

14.15 Operational Flow Order ("OFO")

(a) General. NAESB WGQ Nominations Related Standards 1.3.26 and 1.3.34 will apply.

This Section 14.15 will apply to any Shipper, including any Replacement Shipper, receiving firm transportation service under any Rate Schedule contained in Transporter's FERC Gas Tariff. Transporter will issue OFOs when in its reasonable judgment Transporter determines OFOs are necessitated by the conditions described in Section 14.15(b) hereof, and when all other available operating measures, including storage options and excluding any firm service curtailment, have been exhausted.

This Section 14.15 also will apply to the implementation and administration of contract-specific OFOs issued by Transporter within the contract-specific OFO parameters set forth on Exhibit A or a FERC approved non-conforming provision on Exhibit B of ~~a~~-Rate Schedule TF-1 and TF-2 Service Agreements.

(b) OFO Operational Conditions. An OFO may be issued ~~to create the displacement capacity relied upon by Transporter when primary firm nominations through a given constraint point exceed the greater of the physical design capacity or the posted operationally available capacity for a given day. Transporter will not issue an OFO when Transporter's inability to meet firm transportation commitments to provide firm transportation from a primary or alternate receipt point to a primary or alternate delivery point to the extent that firm transportation using alternate points is supported by primary point capacity which entitles Shipper to primary firm transportation through the relevant corridor established by its primary points ("corridor rights"). (Primary receipt and delivery points are described in Sections 2 and 14.1 of the General Terms and Conditions of Northwest's tariff.)~~

~~An OFO may be issued when scheduled receipt and deliveries:~~

~~(i) will not maintain sufficient operating pressures required to satisfy firm transportation commitments;~~

~~(ii) will not prevent insufficient or excessive linepack for firm transportation commitments; and
is due to scheduled or unscheduled maintenance, force majeure, or the Unavailability of Transporter's Facilities.~~

(c) RESERVED FOR FUTURE USE.

(d) Order of Operational Remedies. Transporter will take the following actions in order to alleviate adverse operating conditions utilizing the mechanisms below in the following order:

(i) Entitlement and Scheduling Remedies - to the extent Transporter determines they will alleviate the adverse operating condition, invoke the scheduling and entitlement mechanisms provided for by Transporter's Tariff;

(ii) Contract-Specific OFO - to the extent Transporter determines they will alleviate the adverse operating condition, invoke, pro rata based on applicable contract quantities, specific contractual provisions which require, as a condition of a Capacity Release or a commitment of capacity, certain Shippers to flow gas upon Transporter's request;

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(iii) Realignment OFO - Service Agreements that are subject to a Realignment OFO, requiring Shippers with unutilized MDQs on the downstream side of the constraint point to realign to those points, are those Service Agreements that meet the following criteria: have capacity that contains receipt points on both sides of the constrained point with primary firm corridor rights through such constrained point.

A Shipper's Realignment OFO obligation on any given day for a Service Agreement that is subject to a Realignment OFO is based upon the percentage of primary rights that are scheduled through a given constraint point and its unutilized MDQ on the downstream side of such constraint point. In no event will a Shipper be required to bring on supplies on the downstream side of a constraint point that exceed the scheduled quantity that was scheduled through the constraint point or its unutilized MDQ on the downstream side of the constraint point.

Nominating Shippers may elect to voluntarily decrease their nominations through a constrained area by the volume which is subject to the OFO, in lieu of realigning to designated primary receipt points.

Shippers subject to a Realignment OFO will be required to, at a minimum, maintain their scheduled quantities from the Timely Nomination Cycle from receipt points on the downstream side of an OFO constraint point through the end of the Gas Day on which the OFO was declared. Realignment OFO Shippers that reduce such receipts on the downstream side of an OFO constraint point or offset their storage withdrawal with a storage injection nomination after the Timely Nomination Cycle must also reduce their Scheduled Quantities through the OFO constraint point; and

(iv) Must-flow OFO - Service Agreements that are subject to a Must-flow OFO, requiring Shippers to nominate their pro rata share (based on primary firm corridor rights) of the displacement requirement necessary to provide displacement nominations through a given constraint point in order for Transporter to obtain a net Scheduled Quantity that does not exceed the greater of the physical design capacity or the posted operationally available capacity for a given Gas Day are those Service Agreements that have capacity capable of providing displacement gas through a given constraint point utilizing their primary corridor rights.

Transporter will issue a Must-flow OFO to such Shippers for the Gas Day(s) the Must-flow OFO is to be in effect, requiring such Shippers to nominate their pro rata share (based on corridor rights) of the displacement requirement necessary to alleviate(iii) will not maintain Transporter's ability to meet

~~firm transportation commitments, except to the extent such inability is due to scheduled or unscheduled maintenance, force majeure, or the Unavailability of Transporter's Facilities.~~

~~(c) Requirements. An OFO may require a Shipper, its designees or successors to undertake one or more of the following actions:~~

~~(i) to commence or increase supply into Transporter's system by specified volumes or at specified primary receipt points or to shift supply in whole or in part between specified primary receipt points of Shipper;~~

~~(ii) to commence or increase deliveries of gas from Transporter's system by specified volumes or at specified primary delivery points of Shipper; or~~

~~(iii) to take any other mutually agreeable action that would assist in alleviating the operating condition which necessitated the issuance of the OFO.~~

~~No Shipper subject to an OFO will be required to exceed Maximum Daily Delivery Obligations or Maximum Daily Quantities at any point, nor will any Shipper be required to take gas from or deliver gas to points that are not Shipper's primary points.~~

~~(d) Order of Operational Remedies. Transporter will take the following actions in the following order:~~

~~(i) to the extent Transporter determines they will alleviate the adverse operating condition, invoke the scheduling and entitlement mechanisms provided for by Transporter's Tariff;~~

~~(ii) to the extent Transporter determines they will alleviate the adverse operating condition, invoke, pro rata based on applicable contract quantities, specific contractual provisions which require, as a condition of a Capacity Release or a commitment of capacity, certain Shippers to flow gas upon Transporter's request;~~

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

~~(iii) issue OFOs to parties nominating gas for the gas day(s) the OFO is to be in effect, requiring such parties to reflect a change of a pro rata share of supply (but not to exceed such nominations in aggregate) to designated primary receipt points which will assist in alleviating the operating condition. Nominating parties may elect to voluntarily decrease their nominations through a constrained area by the volume which is subject to the OFO or to take other action mutually agreeable to Shipper and Transporter, in lieu of realigning to designated primary receipt points; and~~

~~(iv) issue OFOs generally, including OFOs requiring parties to flow gas, to parties in a position on the system to alleviate the operating condition, pro rata (but not to exceed Contract Demand), based on applicable contract quantities, regardless of amounts such parties may have nominated. the operating condition (but not to exceed Contract Demand), regardless of amounts such Shippers may have nominated.~~

~~All Shippers subject to the Must-flow OFO affected by 14.15(d)(iv), above, would only be required to flow up to the same total percentage of their Contract Demand corridor rights as all Shippers, regardless of the percentage flowing before any OFO is issued, not to exceed its corridor rights through the constrained point.~~

Notwithstanding the foregoing, Transporter and Shipper may agree to take any other mutually agreeable action that would assist in alleviating the operating condition which necessitated the issuance of the OFO.

In no event will Transporter issue a Realignment or Must-flow OFO associated with any contract whose OFO obligation is 100 Dth or less.

If after a good faith effort a Shipper is unable to find a market for OFO compliance gas at its primary delivery points, Transporter will deem a Shipper's nomination as confirmed, even if a downstream interconnecting pipeline or delivery point where the gas is intended to flow fails to confirm a market or accept the gas. Transporter will treat such nomination for gas that did not actually move through the delivery point as a Shipper Imbalance and handle any imbalance resulting from OFO compliance as provided in Section 15.10.

Transporter will remove OFOs in an order reversed from the order set forth above.

(e) OFO Notice, Contents and Procedures.

Portal Posting Requirements

Transporter will make reasonable efforts to notify Shippers that an operational problem is developing which could potentially necessitate the issuance of an OFO. Transporter will declare an OFO for one or more specific constraint points via an All Shipper Notice, identifying the effective date and duration of the OFO (if none is specified, the OFO will be effective until further notice).

Transporter will post to its designated site, summary level information each Gas Day the OFO is in effect.

~~On the day prior to commencement of the gas day, no later than 5:00 p.m. Central Clock Time (4:00 p.m. Mountain Clock Time), during the scheduling and confirmation procedure, Transporter will issue the OFO by a posting on its Designated Site. Transporter also will provide notification of the OFO, if specified by Shipper on the Business Associate Information form, via an Internet E-mail or fax to the Shipper. Transporter will make reasonable efforts to notify Shippers that an operational problem~~

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

~~is developing which could potentially necessitate the issuance of an OFO. The notification would inform Shippers what stage of remedy (pursuant to Section 14.15(d)) may be imposed and which Shippers might be affected.~~

Issuance of an OFO

Subsequent to the Portal Posting on the day prior to commencement of the Gas Day, no later than 5:00 p.m. Central Clock Time (4:00 p.m. Mountain Clock Time), during the scheduling and confirmation procedure, Transporter will provide notification of the Contract-specific, Realignment and Must-flow OFO obligations via an Internet E-mail to the affected Shipper(s).

Each Shipper shall designate an operational contact, and/or a third party designee, for Transporter to notify on a 24-hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper shall be solely responsible for any consequences arising from such failure of communication. Each OFO notification will contain the following provisions:

- (i) time and date of issuance;
- (ii) time that the OFO is considered to be effective;
- (iii) ~~duration or best estimate of the duration of the OFO (if none is specified, the OFO will be effective until further notice)~~OFO type of operational remedy as defined in Section 14.15 (d) (ii), (iii) or (iv);
- (iv) ~~the party or parties receiving~~Service Agreement subject to the OFO;
- (v) ~~constrained point location~~justification for the issuance of the OFO;
- (vi) specific action necessary to remedy the condition ~~identified in provision (v) above;~~
- (vii) any other terms Transporter may reasonably require to ensure the effectiveness of the OFO; and
- (viii) to the extent that a Shipper has been requested to take action pursuant to Section 14.15(d) (ii), (iii) or (iv) above and such Shipper has temporarily released all or a portion of its capacity subject to the OFO recall provisions of Section 22.2(a) (2), then Transporter will provide, at a contract level, the associated Replacement

Shipper's scheduled quantities used to calculate its OFO obligation.

Unless otherwise specified in the OFO, compliance must commence at the beginning of the applicable gas day.

~~After an OFO has been lifted, Transporter will post to its Designated Site a report providing information on factors that caused the OFO to be issued and then lifted.~~

GENERAL TERMS AND CONDITIONS

(Continued)

14. OPERATING CONDITIONS (Continued)

14.6 Declared Entitlement Period.

(a) General. A Declared Entitlement Period is a time period, declared by Transporter, during which unauthorized overrun or underrun provisions apply as a result of an interruption or curtailment due to capacity constraints (including constraints that cause Deficiency Periods as defined in Section 10.2 of Rate Schedule TF-1), supply interruptions, or the existence of any undertake or overtake situation which jeopardizes system integrity.

(b) Declared Entitlement Notice, Contents and Procedures.

(i) Declaration of Entitlement Period via Portal Posting

As early as reasonably possible but no later than two hours prior to commencement of the gas day, Transporter will notify Receiving Party(s) when a Declared Entitlement Period is in effect. Transporter may not announce a Declared Entitlement for the coming gas day after close of the confirmation process (Evening Nomination Cycle) on the day prior to such gas day unless (i) Transporter has given a warning based on available data by posting to Transporter's Designated Site the possibility of a Declared Entitlement Period prior to the close of such confirmation period, or (ii) changes to operational circumstances or data occur after the close of such confirmation process which Transporter determines require a Declared Entitlement.

Operating conditions that may trigger post-confirmation, same-day entitlements are extensive supply failure, storage facility failure, pipeline or compression failure, excess linepack drafting, unexpected and extremely cold weather, or firm curtailment. Transporter will provide Shippers with actual notice of such operating conditions in the form of posting an All Shippers Notice to Transporter's Designated Site. Each Shipper shall designate an operational contact, and/or a third party designee, for Transporter to notify on a 24-hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper shall be solely responsible for any consequences arising from such failure of communication.

(ii) Declared Entitlement Period Notice

To issue a general system or customer-specific Declared Entitlement Period, Transporter will post an entitlement notification that contains the following:

- (a) Time and Date of issuance;
- (b) Date that the entitlement is considered effective;

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(c) Identify that portion of the system contributing to the operational problem and, in the case of a customer-specific entitlement, provide specific notification to the Receiving Party(s) that have exceeded their current cumulative imbalance tolerance, based on the previous month's total confirmed nominations, using the Tolerance Limit set forth in Sections 15.3. Transporter will not issue a customer-specific Receiving Party entitlement for the same time period and portion of the system in which a general system Declared Entitlement Period has been issued. Due to operational constraints on Transporter's system, there may be instances when a general system Declared Entitlement Period will apply to Transporter's entire system;

(d) Specify the entitlement as either an overrun or an underrun entitlement and will specify the percentage, as detailed in Section 15.5(c), by which a Receiving Party's unauthorized overruns or underruns may differ from daily entitlements, as outlined in Section 15.5(b), before Section 15.5 penalties are imposed; and

(e) Any other terms Transporter may reasonably require to ensure the effectiveness of the Declared Entitlement Period.

After an entitlement has been lifted, Transporter will post to its Designated Site information on factors that caused the entitlement to be issued and then lifted.

If deliveries to Receiving Party exceed scheduled and authorized volumes during any day that such a general system or customer-specific Declared Entitlement Period is in effect or deliveries are less than scheduled and authorized volumes in an undertake situation, the unauthorized overrun or underrun charge provisions as described in Section 15 of the General Terms and Conditions will apply.

The provisions of Section 14.3, Nomination Changes After the Start of the Gas Day, are applicable to allow Shippers to adjust receipts and/or deliveries as necessary during such Declared Entitlement Period.

14.7 Records of Scheduled Quantities. Transporter shall keep accurate records of the quantities of gas nominated and scheduled for transportation, and any imbalances, which records shall be made available to Receiving Party or Shipper upon request. If Receiving Party's gas is commingled with other gas at the point of receipt or at the point of delivery, the scheduling arrangements and Transporter's records shall include procedures for the allocation of the total quantity at such points.

GENERAL TERMS AND CONDITIONS (Continued)

14. OPERATING CONDITIONS (Continued)

14.15 Operational Flow Order ("OFO")

(a) General. NAESB WGQ Nominations Related Standards 1.3.26 and 1.3.34 will apply.

This Section 14.15 will apply to any Shipper, including any Replacement Shipper, receiving firm transportation service under any Rate Schedule contained in Transporter's FERC Gas Tariff. Transporter will issue OFOs when in its reasonable judgment Transporter determines OFOs are necessitated by the condition described in Section 14.15(b) hereof, and when all other available operating measures, including storage options and excluding any firm service curtailment, have been exhausted.

This Section 14.15 also will apply to the implementation and administration of contract-specific OFOs issued by Transporter within the contract-specific OFO parameters set forth on Exhibit A or a FERC approved non-conforming provision on Exhibit B of Rate Schedule TF-1 and TF-2 Service Agreements.

(b) OFO Operational Conditions. An OFO may be issued when primary firm nominations through a given constraint point exceed the greater of the physical design capacity or the posted operationally available capacity for a given day. Transporter will not issue an OFO when Transporter's inability to meet firm transportation commitments is due to scheduled or unscheduled maintenance, force majeure, or the Unavailability of Transporter's Facilities.

(c) RESERVED FOR FUTURE USE.

(d) Order of Operational Remedies. Transporter will take the following actions in order to alleviate adverse operating conditions utilizing the mechanisms below in the following order:

(i) Entitlement and Scheduling Remedies - to the extent Transporter determines they will alleviate the adverse operating condition, invoke the scheduling and entitlement mechanisms provided for by Transporter's Tariff;

(ii) Contract-Specific OFO - to the extent Transporter determines they will alleviate the adverse operating condition, invoke, pro rata based on applicable contract quantities, specific contractual provisions which require, as a condition of a Capacity Release or a commitment of capacity, certain Shippers to flow gas upon Transporter's request;

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

(iii) Realignment OFO - Service Agreements that are subject to a Realignment OFO, requiring Shippers with unutilized MDQs on the downstream side of the constraint point to realign to those points, are those Service Agreements that meet the following criteria: have capacity that contains receipt points on both sides of the constrained point with primary firm corridor rights through such constrained point.

A Shipper's Realignment OFO obligation on any given day for a Service Agreement that is subject to a Realignment OFO is based upon the percentage of primary rights that are scheduled through a given constraint point and its unutilized MDQ on the downstream side of such constraint point. In no event will a Shipper be required to bring on supplies on the downstream side of a constraint point that exceed the scheduled quantity that was scheduled through the constraint point or its unutilized MDQ on the downstream side of the constraint point.

Nominating Shippers may elect to voluntarily decrease their nominations through a constrained area by the volume which is subject to the OFO, in lieu of realigning to designated primary receipt points.

Shippers subject to a Realignment OFO will be required to, at a minimum, maintain their scheduled quantities from the Timely Nomination Cycle from receipt points on the downstream side of an OFO constraint point through the end of the Gas Day on which the OFO was declared. Realignment OFO Shippers that reduce such receipts on the downstream side of an OFO constraint point or offset their storage withdrawal with a storage injection nomination after the Timely Nomination Cycle must also reduce their Scheduled Quantities through the OFO constraint point; and

(iv) Must-flow OFO - Service Agreements that are subject to a Must-flow OFO, requiring Shippers to nominate their pro rata share (based on primary firm corridor rights) of the displacement requirement necessary to provide displacement nominations through a given constraint point in order for Transporter to obtain a net Scheduled Quantity that does not exceed the greater of the physical design capacity or the posted operationally available capacity for a given Gas Day are those Service Agreements that have capacity capable of providing displacement gas through a given constraint point utilizing their primary corridor rights.

Transporter will issue a Must-flow OFO to such Shippers for the Gas Day(s) the Must-flow OFO is to be in effect, requiring such Shippers to nominate their pro rata share (based on corridor rights) of the displacement requirement necessary to alleviate

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

the operating condition (but not to exceed Contract Demand), regardless of amounts such Shippers may have nominated.

A Shipper subject to the Must-flow OFO will only be required to flow up to the same total percentage of their corridor rights as all Shippers, regardless of the percentage flowing before any OFO is issued, not to exceed its corridor rights through the constrained point.

Notwithstanding the foregoing, Transporter and Shipper may agree to take any other mutually agreeable action that would assist in alleviating the operating condition which necessitated the issuance of the OFO.

In no event will Transporter issue a Realignment or Must-flow OFO associated with any contract whose OFO obligation is 100 Dth or less.

If after a good faith effort a Shipper is unable to find a market for OFO compliance gas at its primary delivery points, Transporter will deem a Shipper's nomination as confirmed, even if a downstream interconnecting pipeline or delivery point where the gas is intended to flow fails to confirm a market or accept the gas. Transporter will treat such nomination for gas that did not actually move through the delivery point as a Shipper Imbalance and handle any imbalance resulting from OFO compliance as provided in Section 15.10.

Transporter will remove OFOs in an order reversed from the order set forth above.

(e) OFO Notice, Contents and Procedures.

Portal Posting Requirements

Transporter will make reasonable efforts to notify Shippers that an operational problem is developing which could potentially necessitate the issuance of an OFO. Transporter will declare an OFO for one or more specific constraint points via an All Shipper Notice, identifying the effective date and duration of the OFO (if none is specified, the OFO will be effective until further notice).

Transporter will post to its designated site, summary level information each Gas Day the OFO is in effect.

GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

Issuance of an OFO

Subsequent to the Portal Posting on the day prior to commencement of the Gas Day, no later than 5:00 p.m. Central Clock Time (4:00 p.m. Mountain Clock Time), during the scheduling and confirmation procedure, Transporter will provide notification of the Contract-specific, Realignment and Must-flow OFO obligations via an Internet E-mail to the affected Shipper(s).

Each Shipper shall designate an operational contact, and/or a third party designee, for Transporter to notify on a 24-hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper shall be solely responsible for any consequences arising from such failure of communication. Each OFO notification will contain the following provisions:

- (i) time and date of issuance;
- (ii) time that the OFO is considered to be effective;
- (iii) OFO type of operational remedy as defined in Section 14.15 (d) (ii), (iii) or (iv);
- (iv) the Service Agreement subject to the OFO;
- (v) constrained point location;
- (vi) specific action necessary to remedy the condition;
- (vii) any other terms Transporter may reasonably require to ensure the effectiveness of the OFO; and
- (viii) to the extent that a Shipper has been requested to take action pursuant to Section 14.15(d) (ii), (iii) or (iv) above and such Shipper has temporarily released all or a portion of its capacity subject to the OFO recall provisions of Section 22.2(a) (2), then Transporter will provide, at a contract level, the associated Replacement Shipper's scheduled quantities used to calculate its OFO obligation.

Unless otherwise specified in the OFO, compliance must commence at the beginning of the applicable gas day.

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GENERAL TERMS AND CONDITIONS
(Continued)

14. OPERATING CONDITIONS (Continued)

14.6 Declared Entitlement Period.

(a) General. A Declared Entitlement Period is a time period, declared by Transporter, during which unauthorized overrun or underrun provisions apply as a result of an interruption or curtailment due to capacity constraints (including constraints that cause Deficiency Periods as defined in Section 10.2 of Rate Schedule TF-1), supply interruptions, or the existence of any undertake or overtake situation which jeopardizes system integrity.

(b) Declared Entitlement Notice, Contents and Procedures.(i) Declaration of Entitlement Period via Portal Posting

As early as reasonably possible but no later than two hours prior to commencement of the gas day, Transporter will notify Receiving Party(s) when a Declared Entitlement Period is in effect. Transporter may not announce a Declared Entitlement for the coming gas day after close of the confirmation process (Evening Nomination Cycle) on the day prior to such gas day unless (i) Transporter has given a warning based on available data by posting to Transporter's Designated Site the possibility of a Declared Entitlement Period prior to the close of such confirmation period, or (ii) changes to operational circumstances or data occur after the close of such confirmation process which Transporter determines require a Declared Entitlement.

Operating conditions that may trigger post-confirmation, same-day entitlements are extensive supply failure, storage facility failure, pipeline or compression failure, excess linepack drafting, unexpected and extremely cold weather, or firm curtailment. Transporter will provide Shippers with actual notice of such operating conditions in the form of ~~a posting~~ an All Shippers Notice to Transporter's Designated Site, ~~telephone call, email and/or fax.~~

Each Shipper shall designate an operational contact, and/or a third party designee, for Transporter to notify on a 24-hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper shall be solely responsible for any consequences arising from such failure of communication.

(ii) Declared Entitlement Period Notice

To issue a general system or customer-specific Declared Entitlement Period, Transporter will post an entitlement notification that contains the following:

- (a) Time and Date of issuance;
~~Specify the Declared Entitlement Period, and~~

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(b) date that the entitlement is considered effective;

(c) Identify that portion of the system contributing to the operational problem and, in the case of a customer-specific entitlement, provide specific notification to the Receiving Party(s) that have exceeded their current cumulative imbalance tolerance, based on the previous month's total confirmed nominations, using the Tolerance Limit set forth in Sections 15.3. Transporter will not issue a customer-specific Receiving Party entitlement for the same time period and portion of the system in which a general system Declared Entitlement Period has been issued. Due to operational constraints on Transporter's system, there may be instances when a general system Declared Entitlement Period will apply to Transporter's entire system;

(d) Specify the entitlement as either an overrun or an underrun entitlement and will specify the percentage, as detailed in Section 15.5(c), by which a Receiving Party's unauthorized overruns or underruns may differ from daily entitlements, as outlined in Section 15.5(b), before Section 15.5 penalties are imposed; and

(e) Any other terms Transporter may reasonably require to ensure the effectiveness of the Declared Entitlement Period.

After an entitlement has been lifted, Transporter will post to its Designated Site information on factors that caused the entitlement to be issued and then lifted.

If deliveries to Receiving Party exceed scheduled and authorized volumes during any day that such a general system or customer-specific Declared Entitlement Period is in effect or deliveries are less than scheduled and authorized volumes in an undertake situation, the unauthorized overrun or underrun charge provisions as described in Section 15 of the General Terms and Conditions will apply.

The provisions of Section 14.3, Nomination Changes After the Start of the Gas Day, are applicable to allow Shippers to adjust receipts and/or deliveries as necessary during such Declared Entitlement Period.

14.7 Records of Scheduled Quantities. Transporter shall keep accurate records of the quantities of gas nominated and scheduled for transportation, and any imbalances, which records shall be made available to Receiving Party or Shipper upon request. If Receiving Party's gas is commingled with other gas at the point of receipt or at the point of delivery, the scheduling arrangements and Transporter's records shall include procedures for the allocation of the total quantity at such points.

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14.15 Operational Flow Order ("OFO")

(a) General. NAESB WGQ Nominations Related Standards 1.3.26 and 1.3.34 will apply.

This Section 14.15 will apply to any Shipper, including any Replacement Shipper, receiving firm transportation service under any Rate Schedule contained in Transporter's FERC Gas Tariff. Transporter will issue OFOs when in its reasonable judgment Transporter determines OFOs are necessitated by the conditions described in Section 14.15(b) hereof, and when all other available operating measures, including storage options and excluding any firm service curtailment, have been exhausted.

This Section 14.15 also will apply to the implementation and administration of contract-specific OFOs issued by Transporter within the contract-specific OFO parameters set forth on Exhibit A or a FERC approved non-conforming provision on Exhibit B of ~~a~~ Rate Schedule TF-1 and TF-2 Service Agreements.

(b) OFO Operational Conditions. An OFO may be issued ~~to create the displacement capacity relied upon by Transporter when primary firm nominations through a given constraint point exceed the greater of the physical design capacity or the posted operationally available capacity for a given day. Transporter will not issue an OFO when Transporter's inability to meet firm transportation commitments to provide firm transportation from a primary or alternate receipt point to a primary or alternate delivery point to the extent that firm transportation using alternate points is supported by primary point capacity which entitles Shipper to primary firm transportation through the relevant corridor established by its primary points ("corridor rights"). (Primary receipt and delivery points are described in Sections 2 and 14.1 of the General Terms and Conditions of Northwest's tariff.)~~

~~An OFO may be issued when scheduled receipt and deliveries:~~

~~(i) will not maintain sufficient operating pressures required to satisfy firm transportation commitments;~~

~~(ii) will not prevent insufficient or excessive linepack for firm transportation commitments; and~~

~~(iii) will not maintain Transporter's ability to meet firm transportation commitments, except to the extent such inability is due to scheduled or unscheduled maintenance, force majeure, or the Unavailability of Transporter's Facilities.~~

(c) ~~RESERVED FOR FUTURE USE. Requirements. An OFO may require a Shipper, its designees or successors to undertake one or more of the following actions:~~

~~(i) to commence or increase supply into Transporter's system by specified volumes or at specified primary receipt points or to shift supply in whole or in part between specified primary receipt points of Shipper;~~

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~~(ii) to commence or increase deliveries of gas from Transporter's system by specified volumes or at specified primary delivery points of Shipper; or~~

~~(iii) to take any other mutually agreeable action that would assist in alleviating the operating condition which necessitated the issuance of the OFO.~~

~~— No Shipper subject to an OFO will be required to exceed Maximum Daily Delivery Obligations or Maximum Daily Quantities at any point, nor will any Shipper be required to take gas from or deliver gas to points that are not Shipper's primary points.~~

(d) Order of Operational Remedies. Transporter will take the following actions in order to alleviate adverse operating conditions utilizing the mechanisms below in the following order:

(i) Entitlement and Scheduling Remedies - to the extent Transporter determines they will alleviate the adverse operating condition, invoke the scheduling and entitlement mechanisms provided for by Transporter's Tariff;

(ii) Contract-Specific OFO - to the extent Transporter determines they will alleviate the adverse operating condition, invoke, pro rata based on applicable contract quantities, specific contractual provisions which require, as a condition of a Capacity Release or a commitment of capacity, certain Shippers to flow gas upon Transporter's request;

(iii) Realignment OFO - Service Agreements that are subject to a Realignment OFO~~issue OFOs to parties nominating gas for the gas day(s) the OFO is to be in effect, requiring Shippers~~such parties with unutilized MDQs on the downstream side of the constraint point to realign to those points, are those Service Agreements that meet the following criteria: have capacity that contains receipt points on both sides of the constrained point with primary firm corridor rights through such constrained point. to reflect a change of a pro rata share of supply (but not to exceed such nominations in aggregate) to designated primary receipt points which will assist in alleviating the operating condition.

A Shipper's Realignment OFO obligation on any given day for a Service Agreement that is subject to a Realignment OFO is based upon the percentage of primary rights that are scheduled through a given constraint point and its unutilized MDQ on the downstream side of such constraint point. In no event will a Shipper be required to bring on supplies on the downstream side of a constraint point that exceed the scheduled quantity that was scheduled through the constraint point or its unutilized MDQ on the downstream side of the constraint point.

Nominating ~~parties~~Shippers may elect to voluntarily decrease their nominations through a constrained area by the volume which is subject to the OFO ~~or to take other action mutually agreeable to Shipper and Transporter~~, in lieu of realigning to designated primary receipt points.

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Shippers subject to a Realignment OFO will be required to, at a minimum, maintain their scheduled quantities from the Timely Nomination Cycle from receipt points on the downstream side of an OFO constraint point through the end of the Gas Day on which the OFO was declared. Realignment OFO Shippers that reduce such receipts on the downstream side of an OFO constraint point or offset their storage withdrawal with a storage injection nomination after the Timely Nomination Cycle must also reduce their Scheduled Quantities through the OFO constraint point; and

(iv) Must-flow OFO - Service Agreements that are subject to a Must-flow OFO, requiring Shippers to nominate their pro rata share (based on primary firm corridor rights) of the displacement requirement necessary to provide displacement nominations through a given constraint point in order for Transporter to obtain a net Scheduled Quantity that does not exceed the greater of the physical design capacity or the posted operationally available capacity for a given Gas Day are those Service Agreements that have capacity capable of providing displacement gas through a given constraint point utilizing their primary corridor rights.

Transporter will issue a Must-flow OFOs to such Shippers for the Gas Day(s) the Must-flow OFO is to be in effect, requiring such Shippers generally, including OFOs requiring parties to flow gas, to parties in a position on the system to nominate their pro rata share (based on corridor rights) of the displacement requirement necessary to alleviate the operating condition, ~~pro rata~~ (but not to exceed Contract Demand), ~~based on applicable contract quantities~~, regardless of amounts such ~~parties~~ Shippers may have nominated.

All ~~A~~ Shippers subject to the Must-flow OFO ~~affected by 14.15(d)(iv), above, would~~ will only be required to flow up to the same total percentage of their ~~Contract Demand~~ corridor rights as all Shippers, regardless of the percentage flowing before any OFO is issued, not to exceed its corridor rights through the constrained point.

Notwithstanding the foregoing, Transporter and Shipper may agree to take any other mutually agreeable action that would assist in alleviating the operating condition which necessitated the issuance of the OFO.

In no event will Transporter issue a Realignment or Must-flow OFO associated with any contract whose OFO obligation is 100 Dth or less.

If after a good faith effort a Shipper is unable to find a market for OFO compliance gas at its primary delivery points, Transporter will deem a Shipper's nomination as confirmed, even if a downstream interconnecting pipeline or delivery point where the gas is intended to flow fails to confirm a market or accept the gas. Transporter will treat such nomination for gas that did not actually move through the delivery point as a Shipper Imbalance and handle any imbalance resulting from OFO compliance as provided in Section 15.10.

Transporter will remove OFOs in an order reversed from the order set forth above.

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(e) OFO Notice, Contents and Procedures.

Portal Posting Requirements

Transporter will make reasonable efforts to notify Shippers that an operational problem is developing which could potentially necessitate the issuance of an OFO. Transporter will declare an OFO for one or more specific constraint points via an All Shipper Notice, identifying the effective date and duration of the OFO (if none is specified, the OFO will be effective until further notice).

Transporter will post to its designated site, summary level information each Gas Day the OFO is in effect.

Issuance of an OFO

Subsequent to the Portal Posting ~~On~~ the day prior to commencement of the ~~Gas~~ Day, no later than 5:00 p.m. Central Clock Time (4:00 p.m. Mountain Clock Time), during the scheduling and confirmation procedure, ~~Transporter will issue the OFO by a posting on its Designated Site.~~ Transporter ~~also~~ will provide notification of the Contract-specific, Realignment and Must-flow OFO obligations, if specified by Shipper on the Business Associate Information form, via an Internet E-mail ~~or fax~~ to the affected Shipper(s).

~~The notification would inform Shippers what stage of remedy (pursuant to Section 14.15(d)) may be imposed and which Shippers might be affected.~~

Each Shipper shall designate an operational contact, and/or a third party designee, for ~~T~~transporter to notify on a 24-hour a day, 365 days a year basis. If Transporter is unable to notify any Shipper because that Shipper's contact is unavailable, such Shipper shall be solely responsible for any consequences arising from such failure of communication. Each OFO notification will contain the following provisions:

- (i) time and date of issuance;
- (ii) time that the OFO is considered to be effective;
- (iii) ~~duration or best estimate of the duration of the OFO (if none is specified, the OFO will be effective until further notice)~~OFO type of operational remedy as defined in Section 14.15 (d) (ii), (iii) or (iv);
- (iv) ~~the party or parties receiving~~Service Agreement subject to the OFO;
- (v) constrained point location~~justification for the issuance of the OFO;~~
- (vi) specific action necessary to remedy the condition ~~identified in provision (v) above;~~
- (vii) any other terms Transporter may reasonably require to ensure the effectiveness of the OFO; and

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(viii) to the extent that a Shipper has been requested to take action pursuant to Section 14.15(d)(ii), (iii) or (iv) above and such Shipper has temporarily released all or a portion of its capacity subject to the OFO recall provisions of Section 22.2(a)(2), then Transporter will provide, at a contract level, the associated Replacement Shipper's scheduled quantities used to calculate its OFO obligation.

Unless otherwise specified in the OFO, compliance must commence at the beginning of the applicable gas day.

~~After an OFO has been lifted, Transporter will post to its Designated Site a report providing information on factors that caused the OFO to be issued and then lifted.~~