

POLICIES & GUIDELINES

Policy #: 06-DP-VS-005

Subject: Upstream Capacity Clearinghouse	Effective: July 24, 2008
Applies to: Any Direct Purchase contract in Union Gas's Southern Operations Area.	
Purpose: To facilitate a Direct Purchase customer's request to exchange components of allocated upstream vertical slice capacity for another component of upstream capacity without altering their total Daily Contract Quantity (DCQ).	
Background: <i>(Not to limit the applicability of the policy)</i> Note: Direct purchase customers and/or the direct purchase customers' appointed agent are jointly referred to as 'customers'. Under the vertical slice methodology (Policy #03-DP-VS-002), end use locations in the Southern Operations Area that transfer from Sales Service to direct purchase (Policy #05-DP-DCQS-009), will receive upstream capacity allocations/assignments based on the existing DCQ policy and vertical slice allocations in effect at the time. Southern direct purchase customers may seek an alternate upstream capacity allocation by finding a Southern counterparty willing to make equal and offsetting changes to their upstream capacity allocation components. Union Gas put a transportation clearinghouse in place (the Upstream Capacity Clearinghouse on Unionline) as one mechanism through which customers in the South could voluntarily rearrange their transportation allocations/assignments among themselves.	
Policy: <ul style="list-style-type: none">• Union Gas will maintain an Upstream Capacity Clearinghouse on Unionline. Union Gas will act as the website manager in the Upstream Capacity Clearinghouse and will be responsible for posting information only. Union Gas will not be a party to any negotiations between customers and will not act as an arbitrator if an agreement cannot be reached.• There is no charge for the use of the Upstream Capacity Clearinghouse.• Where applicable, customers will inform Union Gas of the agreement between each other and request assignments per the Assignment of Upstream Capacity policy. (Policy #06-DP-CS-011)	

Procedures <ol style="list-style-type: none">1. Customer will sign into Unionline and post which upstream capacity is to be exchanged, the quantity, and the term into the Upstream Capacity Clearinghouse input screen. Customer will also post the desired alternative into the Upstream Capacity Clearinghouse input screen.2. Upon exiting the above screen, a message will be automatically issued to the Unionline message board of all Unionline users with a "Contract" role.3. A customer who receives the notification and is interested in pursuing an exchange of capacity contacts the customer who posted the capacity.4. The customers will arrive at an agreement with each other.5. Where applicable, the customers will inform Union Gas of the agreement between each other and request assignments per the Assignment of Upstream Capacity policy. (Policy #06-DP-CS-011)
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