

MPSS  
NOMINATIONS

- a) For Services provided either under this rate schedule or referenced to this rate schedule:
- i) For Services required on any day Shipper shall provide Union with a nomination (the "Shipper's Nomination") of the quantity it desires to be handled at the applicable Receipt Point, and/or Delivery Point. Such Shipper's Nomination is to be provided in writing so as to be received by Union's Gas Management Services on or before 1230 hours in the Eastern time zone, unless agreed to otherwise in writing by the parties, on the business days immediately preceding the day for which service is requested.
  - ii) If, in Union's sole opinion, operating conditions permit, a change in Shipper's Nomination may be accepted after 1230 hours in the Eastern time zone.
  - iii) For customers electing firm all day storage service, nominations shall be provided to Union's Gas Management Services as outlined in the Contract.
- b) Union shall determine whether or not all or any portion of Shipper's Nomination will be accepted. In the event Union determines that it will not accept such nomination, Union shall advise Shipper, on or before 1730 hours in the Eastern time zone on the business day immediately preceding the day for which service is requested, of the reduced quantity (the "Quantity Available") for Services at the applicable points. Forthwith after receiving such advice from Union but no later than 1800 hours in the Eastern time zone on the same day, Shipper shall provide a "Revised Nomination" to Union which shall be no greater than the Quantity Available. If such Revised Nomination is not provided within the time allowed as required above or such Revised Nomination is greater than the Quantity Available, then the Revised Nomination shall be deemed to be the Quantity Available. If the Revised Nomination (delivered within the time allowed as required above) is less than the Quantity Available, then such lesser amount shall be the Revised Nomination.
- c) That portion of a Shipper's Nomination or Revised Nomination, as set out in (a) and (b), above, which Union shall accept for Services hereunder, shall be known as Shipper's "Authorized Quantity".
- d) If on any day the actual quantities handled by Union, for each of the Services authorized, exceed Shipper's Authorized Quantity, and such excess was caused by either Shipper's incorrect nomination or by its delivering or receiving too much gas, then the amount by which the actual quantities handled for each of the Services exceed Shipper's Authorized Quantity, such excess shall be deemed "Unauthorized Overrun".
- e) The daily quantity of gas nominated by Shipper will be delivered by Shipper at rates of flow that are as nearly constant as possible, however, Union shall use reasonable efforts to take receipt of gas on any day at an hourly rate of flow up to one twentieth (1/20) of the quantity received for that day. Union shall have the right to limit Services when on any day the cumulative hourly imbalance between receipts and deliveries exceeds one twentieth (1/20) of the quantity handled for that day, for each applicable Service.
- f) A nomination for a daily quantity of gas on any day shall remain in effect and apply to subsequent days unless and until Union receives a new nomination from the Shipper or unless Union gives Shipper written notice that it is not acceptable in accordance with either (a) or (b) of this schedule.
- g) Except for periods of gas or quantity balancing as provided in the Contract, nominations by Shipper for deliveries to Union and redeliveries by Union shall be the same delivery of gas by Union either to Shipper or a Shipper's Account with Union.
- h) Where Shipper's nomination for any day has been accepted by Union and it is subsequently determined that Shipper's Storage Balance had exceeded either the Maximum Storage Balance (the "Excess Storage Balance") or withdrawn a quantity of gas in excess of its quantities in Shipper's Storage Balance (the "Drafted Storage Balance"), Shipper agrees to take immediate steps to rectify this situation within ten (10) days of notice of such by Union. Should Shipper fail to obtain a zero (0) Excess Storage Balance or Drafted Storage Balance, as the case may be, during that ten (10) day period, then Union shall automatically extend the period of time from the day that such balance should have been brought to zero (0) for an "Extension Period" or additional Extension Period(s)

(as may be required), of up to ten (10) days each, at rates and under terms as set out in paragraph (l) following. During any Extension period, Shipper shall use due diligence to either take delivery of the Excess Storage Balance gas quantities from or return the Drafted Storage Balance gas quantities to Union promptly.

i) The charges payable on all quantities in the Shipper's Excess Storage Balance or Drafted Storage Balance, and for any quantities outstanding at the start of an Extension Period, will be equal to either the MPSS Overrun of Maximum Storage Balance Rates or Drafted Storage Balance Rates, as the case may be, and shall be calculated from the first day that either of these accounts become utilized. Union, during any Extension Period, may upon forty-eight (48) hours verbal notice to Shipper (to be followed in writing), either take possession of Shipper's gas in storage (which shall be immediately forfeited to Union without further recourse), or replace the outstanding gas at Shipper's expense (which will include, all costs to replace such gas, plus a charge equal to 25% of such cost).

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