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Missouri Public  
Service Commission

start of the Day. Parties may agree upon one of the following allocation methodologies: ranked, pro rata, percentage, swing and operator provided value. In the event the parties cannot agree on an allocation methodology, pro rata based on confirmed nominations will be used as the default method. The party responsible for custody transfer (the party performing the measurement function) must provide the allocation. Panhandle will accept such allocation if operationally or administratively feasible.

Changes to the daily allocation methodology may be made during the Month. Such changes must be submitted before the start of the Day. No retroactive reallocations of any transactions shall be permitted.

- (c) If the daily allocation methodology at a Point of Delivery identifies a Service Agreement, other than the meter holder's Service Agreement to be allocated the last Quantities through the meter, the Shipper whose Service Agreement has been identified must agree to the allocation methodology before it may become effective. Quantities delivered under Rate Schedule GDS must be allocated as the last Quantities through the meter.

- 8.6 Shipper may change the person(s) designated in the service rights request form to provide the nomination information set forth in this section to Panhandle. Such change shall be effective immediately upon receipt by Panhandle of Shipper's written notification. If Shipper designates another person to provide this information, Panhandle shall be entitled to rely on the nominations provided by Shipper's prior designee until such nominations are changed in accordance with this Section 8.
- 8.7 Nominations shall also specify such additional information which may be needed for Panhandle to accept Commission approved or permitted standard data elements necessary to perform service.
- 8.8 Quantities of Gas nominated for Transportation or Storage by Shippers pursuant to Section 8.3 shall be scheduled by Panhandle for receipt and delivery in the following order:

(a) Scheduling of Receipts

- (1) Firm service from primary Point(s) of Receipt, adjusted for Fuel Reimbursement.
- (2) Firm service from secondary Point(s) of Receipt within the Primary Path, adjusted for Fuel Reimbursement, beginning with service charged the applicable Maximum Rate followed by firm service from secondary Point(s) of Receipt within the Primary Path charged a rate less than the applicable Maximum Rate in sequence starting with the rate most proximate to the Maximum Rate (expressed as a percentage of the

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Maximum Rate). Within each category, Quantities of Gas will be scheduled pro-rata.

- (3) Firm service from secondary Point(s) of Receipt outside the Primary Path, adjusted for Fuel Reimbursement, beginning with service charged the applicable Maximum Rate followed by firm service from secondary Point(s) of Receipt outside the Primary Path charged a rate less than the applicable Maximum Rate in sequence starting with the rate most proximate to the Maximum Rate (expressed as a percentage of the Maximum Rate). Within each category, Quantities of Gas will be scheduled pro-rata.
- (4) Interruptible service from Point(s) of Receipt, beginning with interruptible service charged the applicable Maximum Rate, followed by interruptible service from Point(s) of Receipt charged a rate less than the applicable Maximum Rate in sequence starting with the rate most proximate to the Maximum Rate (expressed as a percentage of the Maximum Rate). Interruptible service provided under Rate Schedule EIT will be scheduled before interruptible service provided under Rate Schedule IT charged a rate equally proximate to the Maximum Rate (expressed as a percentage of the Maximum Rate). Authorized Quantities in excess of the MDCQ shall be scheduled as interruptible. Within each category of interruptible service, Transportation shall be scheduled in sequence, starting with the service with the earliest request date.
- (5) Gas Parking Service
- (6) Within each service category provided in (1) through (4) above, a Shipper may, through electronic data interchange, provide a ranking of individual Points of Receipt within a Shipper's Service Agreement in the event the entirety of the Shipper nomination cannot be scheduled.

(b) Scheduling of Deliveries

- (1) Firm service to primary Point(s) of Delivery.
- (2) Firm service to secondary Point(s) of Delivery within the Primary Path beginning with service charged the applicable Maximum Rate followed by firm service to secondary Point(s) of Delivery within the Primary Path charged a rate less than the applicable Maximum Rate in sequence starting with the rate most proximate to the Maximum Rate (expressed as a percentage of the Maximum Rate). Within each category, Quantities of Gas will be scheduled pro-rata.

- (3) Firm Service to secondary Point(s) of Delivery outside the Primary Path beginning with service charged the applicable Maximum Rate followed by firm service to secondary Point(s) of Delivery outside the Primary Path charged a rate less than the applicable Maximum Rate in sequence starting with the rate most proximate to the Maximum Rate (expressed as a percentage of the Maximum Rate). Within each category, Quantities of Gas will be scheduled pro-rata.
  - (4) Interruptible service to Point(s) of Delivery beginning with interruptible service charged the applicable Maximum Rate, followed by interruptible service charged a rate less than the applicable Maximum Rate in sequence starting with the rate most proximate to the Maximum Rate (expressed as a percentage of the Maximum Rate). Interruptible service provided under Rate Schedule EIT shall be scheduled before interruptible service provided under Rate Schedule IT charged a rate equally proximate to the maximum rate (expressed as a percentage of the maximum rate). Authorized Quantities in excess of the MDCQ shall be scheduled as interruptible. Within each category of interruptible service, service shall be scheduled in sequence starting with the service with the earliest request date.
  - (5) Gas Parking Service.
  - (6) Within each service category provided in (1) through (4) above, a Shipper may, through electronic data interchange, provide a ranking of individual Points of Delivery within a Shipper's Service Agreement in the event the entirety of the Shipper nomination cannot be scheduled.
- (c) If Panhandle is unable to schedule all Quantities nominated because of a point of constraint, other than at a Point of Receipt or Delivery, Panhandle will schedule Gas through such point of constraint in accordance with the location of the point of constraint. If the point of constraint is located at or west of Panhandle's Haven, Kansas Compressor Station, Panhandle will schedule firm service from primary Point(s) of Receipt and from secondary Point(s) of Receipt equally if the point of constraint is within the Primary Path of the Transportation service using the secondary Point(s) of Receipt, and service from other Point(s) of Receipt in the order specified in Section 8.8(a)(3) through (5). If the point of constraint is located east of Panhandle's Haven, Kansas Compressor Station, Panhandle will schedule firm service from primary Point(s) of Delivery and from secondary Point(s) of Delivery equally if the point of constraint is within the Primary Path of the Transportation service using the secondary Point(s) of Delivery, and service to other Point(s) of Delivery in the order specified in Section 8.8(b)(3) through (5).

- (d) Subject to Section 8.2(b), scheduled service only can be displaced by a shipper moving to its primary point(s) of receipt or delivery or by an event of Force Majeure.

8.9 Section 9.7 describes scheduling provisions during curtailment.

## GENERAL TERMS AND CONDITIONS

### 9. CURTAILMENT AND INTERRUPTION

- 9.1 Panhandle shall have the unqualified right to interrupt Transportation Services or Storage Services or Gas Parking Service or all such services at any time under Panhandle's interruptible Rate Schedules to provide service under Panhandle's firm Rate Schedules. Gas Parking Service will be interrupted first and then interruptible services shall be interrupted in sequence, starting with interruptible service charged the rate least proximate to the applicable maximum rate. Within each rate category of interruptible service, service shall be interrupted in sequence, starting with the service most recently requested and, if necessary, pro-rata by request date.
- 9.2 Panhandle shall have the right to curtail or discontinue Transportation Services or Storage Services or Gas Parking Service or all such services, in whole or in part on all or a portion of its system at any time for reasons of Force Majeure or when in Panhandle's sole judgment, capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes to its system. Panhandle shall provide Shipper such notice of the curtailment as is reasonable under the circumstances.
- 9.3 In the event of curtailment pursuant to Section 9.2 above, Gas Parking Service shall be curtailed first and then interruptible services shall be curtailed in sequence, starting with interruptible service charged the rate least proximate to the applicable Maximum Rate. Within each rate category of interruptible service, service shall be curtailed in sequence, starting with the service most recently requested and, if necessary, pro-rata by request date. For any condition requiring curtailment at or west of Panhandle's Haven, Kansas Compressor Station, Panhandle shall curtail firm services in the following order (1) service from secondary Point(s) of Receipt outside the Primary Path, (2) service from secondary Point(s) of Receipt within the Primary Path and (3) service from Primary Point(s) of Receipt. For any condition requiring curtailment east of Panhandle's Haven, Kansas Compressor Station, Panhandle shall curtail firm services in the following order (1) service from secondary Point(s) of Delivery outside the Primary Path, (2) service from secondary Point(s) of Delivery within the Primary Path and (3) service from Primary Point(s) of Delivery. Within each category of firm service curtailment shall be on a pro-rata basis based on scheduled Quantities of Gas regardless of rates or request date.
- 9.4 When in Panhandle's judgment Panhandle will be unable to satisfy all scheduled deliveries on any portion of its system due to the failure of Shippers to deliver or cause to be delivered scheduled receipts, Panhandle may reduce, in whole or in part, deliveries to Shippers with receipts scheduled on any portion of Panhandle's system showing deficient receipts, in the order specified in Section 9.3 hereof, subject to the following conditions:

- (a) Notice, pursuant to Section 9.6 hereof, shall be given to the affected Shippers that deliveries must be reduced within a time that is reasonable under the then existing conditions.
- (b) Shippers who are able to confirm their receipts to Panhandle within the time set out in such notice shall be permitted to maintain their service. Confirmation shall mean that Panhandle is able, in good faith, to determine that the Shipper's Natural Gas is being received, or Shipper has provided a notarized affidavit by an officer or representative empowered to bind Shipper that, based on personal knowledge formed after diligent investigation, the scheduled quantities (or stated lesser quantities) are being delivered to Panhandle at the Point(s) of Receipt nominated by Shipper for the applicable Service Agreement(s).
- (c) If Shipper is unable to provide confirmation within the time set out in the notice, deliveries to Shipper shall be resumed when such confirmation is provided or when the curtailment ceases.
- (d) If Shipper's affidavit is in fact false, then in addition to any remedies available to Panhandle at law, Shipper shall be deemed in violation of Panhandle's curtailment order and the provisions of Section 9.5 shall apply.

9.5 Curtailment Compliance

- (a) Without regard to any other remedy provided by law or by the provisions hereof, Panhandle shall be entitled to seek an order from the Commission or any other appropriate tribunal requiring compliance with curtailment or interruption ordered by Panhandle in compliance with this Section 9 or any directive from any governmental authority having jurisdiction in the premises.
- (b) All volumes received and/or taken in violation of Panhandle's curtailment or interruption orders shall constitute unauthorized receipts or deliveries of Gas for which a charge of \$10.00 per Dt. or two times the Mid-Continent Spot Price calculated in accordance with Section 12.11(c), whichever is greater, shall be assessed in addition to any other applicable rate, charge or penalty. Such charge shall be applicable to all such unauthorized receipts and deliveries following notification of curtailment or interruption pursuant to Section 9.6, below, which may be given by telephone, confirmed by facsimile transmission or any other reasonable means.

9.6 Situation Reports, Notices and Indemnification

- (a) Panhandle shall provide Shipper with notice of curtailment or interruption at a time and in a manner that is reasonable under then existing conditions, and shall in any event confirm in writing or by facsimile transmission the notice given if originally provided telephonically. Each Shipper and point operator shall designate one or more persons for Panhandle to contact on operational matters on a 24-hour a day, 365 days a year basis. Telephone and facsimile numbers as well as e-mail address must be provided for such person or persons. If Panhandle is unable to contact any Shipper or point operator because that Shipper's or point operator's contact person(s) is unavailable, such Shipper or point operator shall be responsible for any consequences arising from such failure of communications.
- (b) Shipper shall have the responsibility to inform its end-users, suppliers, other transporters and all others involved in the transaction, as to any curtailment or interruption.
- (c) Shipper shall indemnify Panhandle against and hold Panhandle harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Panhandle; which shall include any curtailment or interruptions described in any part of this Section 9. Shipper shall not be required to indemnify Panhandle as stated above to the extent that the curtailment or interruption is a result of Panhandle's negligence, bad faith, fault or willful misconduct.

9.7 Scheduling During Curtailment

During curtailment, the scheduling provisions of Section 8.8(a) and (b) shall apply when the point of constraint is at a Point of Receipt or Delivery. When the constraint is located at other than a Point of Receipt or Delivery, the scheduling provisions of Section 8.8(c) shall apply.