



February 1, 2016

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**North Baja Pipeline, LLC**  
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Re: North Baja Pipeline, LLC  
Compliance Filing  
Docket No. RP16-\_\_\_\_-\_\_\_\_

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act and Part 154 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations,<sup>1</sup> North Baja Pipeline, LLC ("North Baja") respectfully submits for filing the tariff sections included as Appendix A to be part of its FERC Gas Tariff, First Revised Volume No. 1 ("Tariff"). The purpose of the instant filing is to reflect implementation of certain North American Energy Standards Board ("NAESB") Standards to comply with FERC Order No. 587-W.<sup>2</sup> North Baja respectfully requests that the Commission accept the tariff sections included as Appendix A to become effective April 1, 2016.

### Correspondence

The names, titles and mailing addresses of the persons to whom correspondence and communications concerning this filing should be directed are as follows:

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<sup>1</sup> 18 C.F.R. Part 154 (2015).

<sup>2</sup> *Standards for Business Practices of Interstate Natural Gas Pipelines; Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities, Order No. 587-W*, 153 FERC ¶ 61,061 (2015) ("Order No. 587-W").

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### Statement of Nature, Reasons and Basis for Filing

In Order No. 587-W, the Commission adopted the most recent version of the NAESB Wholesale Gas Quadrant (“WGQ”) Standards, Version 3.0 (“3.0 Standards”), and set forth the requirement that tariff records be filed to reflect the changed standards by February 1, 2016, to become effective April 1, 2016.<sup>3</sup> Order No. 587-W enumerates several compliance filing requirements to increase the transparency of a pipeline’s incorporation by reference of the NAESB WGQ Standards so that shippers and the Commission will know which tariff provision implements each standard as well as the status of the standard. Pipelines must designate a single, separate, tariff record within which every NAESB standard currently incorporated by reference by the Commission is listed, and a) specify within such tariff record whether a standard is incorporated by reference, or identify the tariff provision that complies with the standard; and b) provide a statement identifying any standards for which the pipeline has been granted a waiver, extension of time, or other variance with respect to compliance with the standard.<sup>4</sup>

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<sup>3</sup> The 3.0 Standards include the Version 2.1 standards previously adopted by NAESB, and introduce modifications that support efforts to harmonize gas-electric scheduling coordination that the Commission incorporated by reference in Order No. 809 (*Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, Order No. 809, 151 FERC ¶ 61,049 (2015) (“Order No. 809”). Additionally, the 3.0 Standards revise the posting requirements for offers to purchase released capacity, define operating capacity and design capacity, eliminate the WGQ Interpretations, reflect new data elements, and provide edits for greater clarity and increase user-friendliness (Order No. 587-W at P 8).

<sup>4</sup> Order No. 587-W, at P 42. Further, at P 42 part (3), Order No. 587-W requires that if a pipeline is requesting a continuation of an existing waiver or extension of time, it must include in a table in its transmittal the standard for which a waiver or extension of time was granted and the docket number or order citation to the proceeding in which the waiver or extension was granted. North Baja has not previously been granted a waiver or extension of time to comply with any specific standards.

Since the issuance of Order No. 587-W, North Baja has undergone a process of identifying the changes necessary to implement the 3.0 Standards. As a result, North Baja has updated Section 6.40 of the General Terms and Conditions of its Tariff, consistent with the sample tariff record provided by the Commission.<sup>5</sup> Specifically, for each NAESB 3.0 Standard, North Baja has either indicated that the standard is incorporated by reference or has identified the location of the standard within the Tariff. For those 3.0 Standards not incorporated by reference in Section 6.40, North Baja has modified the applicable tariff sections, where necessary, to incorporate language revisions contained in the 3.0 Standards, as set forth in Appendix A.<sup>6</sup>

#### Effective Date

North Baja requests that the Commission accept the tariff sections included as Appendix A to become effective April 1, 2016.

#### Other Filings Which May Affect This Proceeding

There are no other filings before the Commission that may significantly affect the changes proposed herein.

#### Contents of Filing

In accordance with Sections 154.7 and 154.201 of the Commission's regulations and Order No. 714,<sup>7</sup> North Baja is submitting the following XML filing package, which includes:

1. This transmittal letter;
2. Clean tariff sections (Appendix A); and
3. Marked tariff sections (Appendix B).

#### Certificate of Service

As required by Sections 154.7(b) and 154.208 of the Commission's regulations, copies of this filing are being served upon all of North Baja's existing customers and interested state regulatory agencies. A copy of this letter, together with the enclosed tariff sections, is available during regular business hours for public inspection at North Baja's principal place of business.

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<sup>5</sup> The Commission posted on its eLibrary website a sample tariff record which provides an illustrative example to aide pipelines in their preparation of Order No. 587-W compliance filings.

<sup>6</sup> Appendix A contains a complete description of each revised Tariff section including the section name, number, and version.

<sup>7</sup> *Electronic Tariff Filings*, 124 FERC ¶ 61,270 (2008) ("Order No. 714").

Pursuant to Section 385.2005 and Section 385.2011, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to Joan Collins at (832) 320-5651.

Respectfully submitted,

A handwritten signature in black ink that reads "John A. Roscher". The signature is written in a cursive style with a long horizontal flourish extending to the right.

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John A. Roscher  
Director, Rates, Tariffs, and Certificates

Enclosures

# Appendix A

## North Baja Pipeline, LLC

### *FERC Gas Tariff, First Revised Volume No. 1*

### *Clean Tariff*

<b><u>Tariff Section</u></b>	<b><u>Version</u></b>
6.1 – GT&C, Definitions	v.5.0.0
6.5 – GT&C, Inspection of Equipment and Records	v.3.0.0
6.6 – GT&C, Billing	v.3.0.0
6.7.5 – GT&C, Adjustment of Billing Error	v.3.0.0
6.14.2 – GT&C, Nomination Cycles	v.3.0.0
6.19.3 – GT&C, Notice Requirements	v.5.0.0
6.19.6 – GT&C, Bidding for a Parcel	v.7.0.0
6.19.8 – GT&C, Scheduling of Parcels, Bids and Notifications	v.3.0.0
6.19.9 – GT&C, Capacity Recall	v.3.0.0
6.40 – Gas Industry Standards	v.6.0.0

## 6.1. DEFINITIONS

1. **Gas Day:** In accordance with NAESB Standard 1.3.1, the term "Gas Day" shall mean 9:00 a.m. to 9:00 a.m. Central Clock Time (7:00 a.m. to 7:00 a.m. Pacific Clock Time).
2. **Business Day:** The term "Business Day" shall mean Monday through Friday, excluding U.S. Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
3. **Month:** The word "month" shall mean a period extending from the beginning of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
4. **Maximum Daily Quantity:** The term "Maximum Daily Quantity" or "MDQ" shall mean the maximum daily quantity in Dth of gas which NBP agrees to deliver exclusive of an allowance for compressor station fuel, line loss and other unaccounted for gas and transport for the account of Shipper to Shipper's point(s) of delivery on each day during the term of Shipper's Transportation Service Agreement with NBP.
5. **Gas:** The word "gas" shall mean natural gas.
6. **Cubic Foot of Gas:** The term "cubic foot of gas" is defined in accordance with NAESB Standard 2.3.9, as that quantity of gas which measures one (1) cubic foot at standard conditions of 14.73 psia at 60 degrees F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa at 15 degrees C and dry. Standard 2.3.9, states in full "Standardize the reporting basis for Btu as 14.73 psia at 60 degrees F (101.325 kPa at 15 degrees C) and dry. Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm<sup>2</sup> at 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry."

NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.

7. **Mcf:** The term "Mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in Section 6.4 hereof. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.

8. Dekatherm: The term "Dekatherm" or "Dth" is the quantity of heat energy equivalent to one million (1,000,000) British Thermal Units (MMBtu). Dth is the standard quantity for Nominations, Confirmations and Scheduled Quantities in the United States. For purposes of this tariff and associated Service Agreements, the terms MMBtu and Dth are synonymous.
9. Btu: The term "Btu" shall mean British Thermal Unit. The term "MMBtu" shall mean one million (1,000,000) British Thermal Units. The reporting basis for Btu shall be standardized as 14.73 dry psia and 60 degrees (60°) Fahrenheit (101.325 kPa and 15.6 degrees C).
10. Gross Heating Value. The term "gross heating value" shall mean the number of Btus in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.
11. Psig. The term "psig" shall mean pounds per square inch gauge.
12. Releasing Shipper: A firm transportation Shipper that intends to post its service to be released to a Replacement Shipper, has posted the service for release, or has released its service.
13. Replacement Shipper: A Shipper that has contracted to utilize a Releasing Shipper's service for a specified period of time.
14. Posting Period: The period of time during which a Releasing Shipper may post, or have posted by the pipeline, all or a part of its service for release to a Replacement Shipper.
15. Release Term: The period of time during which a Releasing Shipper intends to release, or has released all or a portion of its contracted quantity of service to a Replacement Shipper.
16. Bid Period: The period of time during which a Replacement Shipper may bid to contract for a parcel which has been posted for release by a Releasing Shipper.
17. Parcel: The term utilized to describe an amount of capacity, expressed in Dth/d, from a specific receipt point to a specific delivery point for a specific period of time which is released and bid on pursuant to the capacity release provisions contained in Section 6.19 of these General Terms and Conditions of Service.
18. Primary Release: The term used to describe the initial release of capacity by a Shipper to a Replacement Shipper.

19. Secondary Release: The term used to describe the release of capacity by a Replacement Shipper to a different Replacement Shipper.
20. Bid Reconciliation Period: The period of time subsequent to the Bid Period during which bids are evaluated by NBP.
21. Match Period: The period of time subsequent to the Bid Reconciliation Period and before the notification deadline for awarding capacity for Prearranged Deals that require bidding. During this period the Prearranged Shipper may match any higher bids for the Parcel.
22. Nomination: The provision of information to NBP necessary to effectuate a transportation transaction. Specific Nomination procedures are set forth in Section 6.14 of these General Terms and Conditions of Service.
23. Intraday Nomination: A Nomination submitted after the Nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of the Gas Day.
24. North American Energy Standards Board Standards: The term "North American Energy Standards Board Standards" or "NAESB Standards" shall mean the standardized business practices and electronic communication practices promulgated by the North American Energy Standards Board from time to time and incorporated in the Code of Federal Regulations by the Federal Energy Regulatory Commission.
25. Forward Haul: The term "Forward Haul" shall refer to transportation service on NBP's system in which the nominated direction of flow from receipt point to delivery point is in the same direction as physical gas flow on the NBP system.
26. Backhaul: Transportation service on NBP's system in the opposite direction of a Forward Haul as defined in Section 6.1 paragraph 25 above.
27. Primary Path: The transportation path established by the receipt and delivery points as set forth in Shipper's executed Service Agreement. A Shipper's Primary Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 25 and 26 above.
28. Reverse Path: The transportation path that is in the opposite direction of that Shipper's Primary Path as defined in Section 6.1 paragraph 27 above. A Shipper's Reverse Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 25 and 26 above. Reverse Path transactions rely upon secondary point rights and are subject to the operating conditions of NBP's pipeline and will not be



made available to Shipper if NBP determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.

29. **Negotiated Rate:** A rate (including a Negotiated Rate Formula) that NBP and a Shipper have agreed will be charged for service under Rate Schedules FTS-1, ITS-1, or PAL-1 where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or be less than the minimum rate, for such component set forth in NBP's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate Schedules FTS-1, ITS-1, PAL-1 other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.
30. **Negotiated Rate Formula:** A rate formula that NBP and a Shipper have agreed will apply to service under a specific contract under Rate Schedules FTS-1, ITS-1, PAL-1 which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in NBP's Tariff for the given service.
31. **Recourse Rate:** The term "Recourse Rate" shall mean the applicable maximum rate that would apply to each respective Rate Schedule as set forth in the Statement of Rates of this FERC Gas Tariff.
32. **Commission:** The Federal Energy Regulatory Commission.
33. **Existing Capacity:** Capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
34. **Expansion Capacity:** Original system capacity or capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
35. **Cash Out Index Price:** The price calculated as the average "SoCal" price, as reported in Gas Daily's Daily Price Survey, for the month in which an imbalance occurs.

36. Energy Affiliate: The term "Energy Affiliate" shall have the meaning provided in Commission Order No. 2004, et seq.
37. Asset Manager: A party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The asset manager uses released capacity to serve the gas supply requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.

## 6.5 INSPECTION OF EQUIPMENT AND RECORDS

1. **Inspection of Equipment and Data:** NBP and Shipper shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the entity installing or furnishing same. Unless NBP and Shipper otherwise agree, each shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least six (6) years.
2. **Information for Billing:** When information necessary for billing by NBP is in the control of Shipper, Shipper shall furnish such information, estimated if actual is not available, to NBP on or before the third (3rd) working day of the month following the month transportation service was rendered. If Shipper furnishes estimated information, the actual information shall be furnished to NBP on or before the fifth (5th) working day of the month following the month transportation service was rendered.

**Verification of Computations:** NBP and Shipper shall have the right to examine at reasonable times the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to these General Terms and Conditions of Service and to the rate schedules to which they apply, within twelve (12) months of any such statement, charge or computation. The time limitation for disputing allocations shall be six (6) months from the date of initial month-end allocation with a three-month rebuttal period, provided, however, that this limitation shall not apply in the case of a deliberate omission or misrepresentation or mutual mistake of fact, and shall not diminish the parties' other statutory or contractual rights. In accordance with NAESB Standard 2.3.11, a meter adjustment or correction becomes a prior period adjustment after the fifth (5th) business day following the Business Month. Any measurement of prior period adjustments are taken back to the production month. These provisions are in accordance with NAESB Standard 2.3.7, which establishes a cutoff for the closing of measurement of five (5) business days after business month.

In accordance with NAESB Standard 2.3.14, measurement data corrections should be processed within six (6) months of the production month with a three-month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

## 6.6 BILLING

1. Billing under all Rate Schedules: On or before the ninth (9th) Business Day of each month, NBP shall render a bill to each Shipper under all applicable Rate Schedules for the service(s) rendered during the preceding month, which is in accordance with NAESB Standard 3.3.14, which provides that the imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be rendered on or before the ninth business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site.
2. Information for preparation of the bill: In the event that NBP does not have the Receipt Quantities, the Shipper promises to furnish NBP with all of the information and the material that the latter requires to calculate and verify the Receipt and Delivery Quantities.

If NBP does not receive said information in sufficient time to be able to bill the Shipper as provided for in this paragraph, said invoices shall be calculated based on the best estimate realized by NBP of the Delivery Quantity provided by the Shipper. Any excess or insufficient charges resulting from the differences between the aforementioned estimates and the real amounts shall be adjusted on the subsequent bill without any interest thereon.

3. Third Party Charges. Shipper shall be responsible for delivering all gas to, and accepting redelivery of all Gas from, Transporter's system, and shall be free to contract with third party(ies) upstream or downstream of Transporter's system to achieve such result. If Shipper requests, and Transporter agrees, Transporter will contract with third party(ies) for the benefit of Shipper and Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay such third party(ies), which charges may include, but are not limited to, reservation and/or usage charges and surcharges, fuel charges, compression fees, balancing or storage fees, measurement fees, processing fees, and/or facility charges. Such charges shall be set forth as separate items on billings rendered to Shipper.

- 6.7.5 Adjustment of Billing Error: In accordance with NAESB Standard 3.3.15, prior period adjustment time limits should be six (6) months from the date of the initial transportation invoice and seven (7) months from date of initial sales invoice with a three-month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

#### 6.14.2 Nomination Cycles.

In accordance with NAESB Standard 1.3.2, NBP will utilize the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard 0.3.17):

(a) THE TIMELY NOMINATION CYCLE

On the day prior to gas flow:

1:00 p.m. Nominations leave control of the service requester;

1:15 p.m. Nominations are received by NBP;

1:30 p.m. NBP sends the Quick Response to the service requester;

4:30 p.m. NBP receives completed confirmations from confirming parties;

5:00 p.m. Service requester and point operator receive scheduled quantities from NBP.

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

(b) THE EVENING NOMINATION CYCLE

On the day prior to gas flow:

6:00 p.m. Nominations leave control of the service requester;

6:15 p.m. Nominations are received by NBP;

6:30 p.m. NBP sends Quick Response to the service requester;

8:30 p.m. NBP receives completed confirmations from confirming parties;

9:00 p.m. NBP provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nomination should be effective at the start of the next Gas Day.

(c) THE INTRADAY 1 NOMINATION CYCLE

On the current Gas Day:

10:00 a.m. Nominations leave control of the service requester;

10:15 a.m. Nominations are received by NBP;

10:30 a.m. NBP sends the Quick Response to the service requester;

12:30 p.m. NBP receives completed confirmations from confirming parties;

1:00 p.m. NBP provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations should be effective at 2:00 p.m. on the current Gas Day.

(d) THE INTRADAY 2 NOMINATION CYCLE

On the current Gas Day:

2:30 p.m. Nominations leave control of the service requester;

2:45 p.m. Nominations are received by NBP;

3:00 p.m. NBP sends the Quick Response to the service requester;

5:00 p.m. NBP receives completed confirmations from confirming parties;

5:30 p.m. NBP provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at 6:00 p.m. on the current Gas Day.

(e) THE INTRADAY 3 NOMINATION CYCLE

On the current Gas Day:

7:00 p.m. Nominations leave control of the service requester;

7:15 p.m. Nominations are received by NBP;

7:30 p.m. NBP sends the Quick Response to the service requester;

9:30 p.m. NBP receives completed confirmations from confirming parties;

10:00 p.m. NBP provides scheduled quantities to the affected service requester and point operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- (f) For purposes of NAESB Standards 1.3.2(ii), (iii), (iv), and (v) (reflected in Section 6.14.2 (b) through (e) above), "provide" shall mean, for transmittals pursuant to NAESB Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

Transporter shall, at the end of each business day, make available to each Shipper information containing scheduled quantities including scheduled intraday nominations and any other scheduling changes.

NBP shall have the discretion to accept nominations at such later times as operating conditions permit and without detrimental impact to other Shippers and upon confirmation that corresponding upstream and downstream arrangements in a manner satisfactory to NBP have been made. In the event later nominations are accepted, NBP will schedule those nominations after the nominations received before the nominations deadline, which is in accordance with NAESB Standard 1.3.6, that states nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline.



### 6.19.3 Notice Requirements.

Any Releasing Shipper electing to release capacity shall submit a notice via NBP's Internet website that it elects to release firm capacity. The notice shall set forth the following information:

- (a) Releasing Shipper's legal name, contract number, and the name, e-mail, and telephone number of the individual responsible for authorizing the release of capacity.
- (b) Rate schedule of the Releasing Shipper.
- (c) In accordance with NAESB Standard 5.3.26, the Releasing Shipper should specify which one of the following methods is acceptable for bidding on a given capacity release offer:
  - Non-Index-based release – dollar and cents,
  - Non-Index-based release – percentage of maximum rate, or
  - Index-based formula as detailed in the capacity release offer.

The Bids for the given capacity release offer should adhere to the method specified by the Releasing Shipper. If a volumetric rate is used, Releasing Shipper must indicate whether bids on a reservation charge basis will be accepted as well and if so must specify the method of evaluating the two types of bids.

- (d) Daily quantity of capacity to be released, expressed in Dth/d, at the designated delivery point(s). (This must not exceed Releasing Shipper's maximum contract demand available for capacity release and shall state the minimum quantity expressed in Dth/d acceptable for release.)
- (e) The term of the release, identifying the date release is to begin and terminate. The minimum release term acceptable to NBP shall be one (1) day.
- (f) Whether the Releasing Shipper is willing to consider release for a shorter period of time than that specified in (e) above and if so, the minimum acceptable period of release.
- (g) The receipt and delivery point(s).
- (h) Whether Option 1, 2, 3 or 4 shall be used to determine the highest valued bid (see Section 6.19.7(a) for a description of bid evaluation options).
- (i) Whether the Releasing Shipper requests to waive the creditworthiness requirements and agrees in such event to remain liable for all charges.

- (j) Whether Releasing Shipper is an energy affiliate or other affiliate of NBP.
- (k) If release is a prearranged release, the Prearranged Shipper must be qualified pursuant to the criteria of Section 6.19.6(a) unless waived above. Releasing Shipper shall include the Prearranged Shipper bid information pursuant to Section 6.19.6(b) with its release information and shall indicate whether the Prearranged Shipper is affiliated with NBP or the Releasing Shipper.
- (l) Any special nondiscriminatory terms and conditions applicable to the release, such as whether the Replacement Shipper will be prohibited from changing Primary Points.
- (m) Tie-breaker method preferred: (1) pro rata, (2) order of submission (first-come/first-serve). If no method is selected, the system defaults to pro rata.
- (n) Recall provisions. These provisions must be objectively stated, nondiscriminatory, and applicable to all bidders, operationally and administratively feasible as determined by NBP and in accordance with NBP's tariff.
- (o) The minimum rate (percentage of: reservation charge or a volumetric equivalent of the maximum reservation charge applicable to the Parcel on a one hundred percent (100%) load-factor basis) acceptable to Releaser for this Parcel.
- (p) Whether the Releasing Shipper is willing to accept contingent bids and, if so, any nondiscriminatory terms and conditions applicable to such contingencies including the date by which such contingency must be satisfied (which date shall not be later than the last day of the Bid Period).
- (q) Whether the Releasing Shipper wants to specify a longer bidding period for its Parcel than specified at Section 6.19.8.

#### 6.19.6 Bidding for a Parcel.

(a) Preliminary Qualification.

Replacement Shippers are encouraged to pre-qualify in advance of any postings on NBP's Internet website as credit requirements will take differing amounts of time to process depending on the particular financial profile of Replacement Shippers. The pre-qualification process will authorize a pre-set maximum monthly financial exposure level for the Replacement Shipper. Such exposure levels may be adjusted by NBP periodically re-evaluating a Replacement Shipper's credit-worthiness.

Releasing Shippers may exercise their option to waive the credit requirements for any Replacement Shipper wishing to bid on a Parcel posted by that Releasing Shipper. Such waiver must be made on a nondiscriminatory basis. Releasing Shipper must inform NBP of such waiver through the customer activities link on NBP's Internet website before it will authorize such Replacement Shipper's participation with respect to that particular Parcel. In this instance, no pre-set maximum monthly financial exposure level is applicable.

Should a Releasing Shipper waive the credit requirements for a Replacement Shipper, the Releasing Shipper shall be liable for all charges incurred by the Replacement Shipper in the event such Replacement Shipper defaults on payment to NBP for such capacity release service.

Any potential Replacement Shipper may submit a bid for parcels posted for release. NBP will determine the highest valued bid, based on the bid evaluation method selected by the Releasing Shipper, and verify that the Shipper placing the bid meets NBP's credit requirements before awarding the parcel. Upon notification by NBP of an award of a parcel, NBP shall complete a new FTS-1 contract with the particulars of the awarded parcel and Replacement Shipper shall execute this new contract electronically.

Once a Replacement Shipper has acquired capacity, authority is granted to the Replacement Shipper to release that capacity, unless the Releasing Shipper has specified that the parcel cannot be re-released.

The execution of the FTS-1 service agreement will constitute an obligation on the part of the Replacement Shipper to be bound by the terms and conditions of NBP's capacity release program as set forth in these General Terms and Conditions of Service.

(b) Submitting a Bid.

All bids must be submitted through the use of NBP's Internet website. Such bids shall be "open" for all participants to review. The particulars of all bids will be available for review but not the identity of bidders. NBP will post the identity of the winning bidder(s) only.

A Replacement Shipper cannot request that its bid be "closed", nor can a Releasing Shipper specify that "closed" bids be submitted on its releases. A Replacement Shipper may submit only one bid per Parcel posted at any one point in time. Bids received after the close of the Bid Period shall be invalid. The Replacement Shipper may bid for no more than the quantity of the Parcel posted by the Releasing Shipper. Simultaneous bids for more than one Parcel are permitted.

A valid bid to contract for a Parcel must contain the following information:

- (i) Replacement Shipper's legal name, e-mail, telephone number and the name of the individual responsible for authorizing the bid.
- (ii) The identification of the Parcel bid on.
- (iii) Term of service requested. The term of service must not exceed the term included in the Parcel.
- (iv) Percentage of the applicable maximum rate, or price in dollars and cents per Dth/d, as identified in the Parcel, that the Replacement Shipper is willing to pay for non-index-based releases or the index-based formula as detailed in the capacity release offer. A Replacement Shipper may not bid below the minimum applicable charge or rate.
- (v) The quantity desired not to exceed the quantity contained in the Parcel, expressed on a Dth/d delivered basis and greater than the minimum quantity acceptable to Replacement Shipper.
- (vi) A statement as to whether or not Replacement Shipper is an affiliate of the Releasing Shipper.
- (vii) An affirmative statement that Replacement Shipper agrees to be bound by the terms and conditions of Rate Schedule FTS-1 and NBP's capacity release provisions in its tariff.
- (viii) Whether the bid is a contingent bid.

(c) Confirmation of Bids.

The receipt of a valid bid by NBP will be acknowledged by NBP electronically. It is the Replacement Shipper's sole responsibility to verify the correctness of the submitted bid and to take any corrective action necessary by resubmitting a bid when notified of an invalid or incomplete bid by NBP via the Internet website. This must be done before the close of the Bid Period.

(d) Withdrawal or Revision of Bids.

A previously submitted bid may be withdrawn or revised and resubmitted at any time prior to the close of the Bid Period with no obligation on the Replacement Shipper's part. In accordance with NAESB Standard 5.3.15, bids cannot be withdrawn after the bid period ends. Resubmitted bids must be equal to or greater in value than the initial bids. Lower valued bids will be invalid. In accordance with NAESB Standard 5.3.13, bids should be binding until notice of withdrawal is received by NBP on its Internet website.

#### 6.19.8 Scheduling of Parcels, Bids and Notifications.

In accordance with NAESB Standard 5.3.2, the following timelines, stated in CCT, apply to capacity release transactions.

For biddable releases (1 year or less):

- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 noon.
- The contract is issued within one (1) hour of award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For biddable releases (more than 1 year):

- Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 noon.
- The contract is issued within one (1) hour of the award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For non-biddable releases:

- The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard 1.3.2. The posting deadlines are:
  - Timely Cycle 12:00 noon
  - Evening Cycle 5:00 p.m.
  - Intraday 1 Cycle 9:00 a.m.

- Intraday 2 Cycle 1:30 p.m.
  - Intraday 3 Cycle 6:00 p.m.
- 
- The contract is issued within one hour of the award posting (with a new contract number, when applicable).
  - Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

6.19.9 Capacity Recall.

Releasing Shipper(s) may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) in accordance with NAESB Standard 5.3.44. In accordance with NAESB Standard 5.3.55, recall quantities should be expressed in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. Notification to Replacement Shippers shall be provided by Transporter within one (1) hour of receipt of recall notification.



## 6.40 GAS INDUSTRY STANDARDS

Compliance with 18 CFR, Section 284.12

NBP has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.0, and the standards revised by Minor Corrections MC15003, MC15004, MC15005, MC15009 and MC15012 all marked with an asterisk [\*], which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

### **Standards not Incorporated by Reference and their Location in Tariff:**

<u>NAESB Standard</u>	<u>Tariff record</u>
1.3.1*	GT&C – Definitions, 6.1.1
1.3.2(i-vi)	GT&C – Nomination Cycles, 6.14.2
1.3.5*	GT&C – Information to be Provided with Nomination, 6.14.1
1.3.6	GT&C – Nomination Cycles, 6.14.2(e)
1.3.7	GT&C – Changes to Nominations, 6.14.3(a)
1.3.8*	GT&C – Changes to Nominations, 6.14.3(b)
1.3.9*	GT&C – Changes to Nominations, 6.14.3(c)
1.3.11*	GT&C – Changes to Nominations, 6.14.3(b)
1.3.19	GT&C – Information to be Provided with Nomination, 6.14.1
2.3.7	GT&C – Inspection of Equipment and Records, 6.5.2
2.3.9	GT&C – Definitions, 6.1.6
2.3.11	GT&C – Inspection of Equipment and Records, 6.5.2
2.3.14	GT&C – Inspection of Equipment and Records, 6.5.2
3.3.14	GT&C – Billing, 6.6.1
3.3.15	GT&C – Adjustment of Billing Error, 6.7.5
3.3.17	GT&C – Payment Under All Rate Schedules, 6.7.1
3.3.18	GT&C – Payment Under All Rate Schedules, 6.7.1
3.3.19	GT&C – Payment Under All Rate Schedules, 6.7.1
5.3.2	GT&C – Scheduling of Parcels, Bids, and Notifications, 6.19.8
5.3.3	GT&C – Allocation of Parcels, 6.19.7(a)
5.3.7	GT&C – Capacity Reput, 6.19.10
5.3.8	GT&C – Reput Method and Rights, 6.19.11
5.3.13	GT&C – Bidding for a Parcel, 6.19.6(d)
5.3.14	GT&C – Posting of a Parcel, 6.19.5
5.3.15	GT&C – Bidding for a Parcel, 6.19.6(d)
5.3.26	GT&C – Notice Requirements, 6.19.3(c)
5.3.55	GT&C – Capacity Recall, 6.19.9

**Standards Incorporated by Reference:**

Additional Standards:

General:

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards:

0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4, 0.2.5

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Data Sets:

0.4.2\*, 0.4.3

Location Data Download:

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:

0.4.4\*

Storage Information:

Data Sets:

0.4.1\*

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13,  
1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.3, 1.3.4, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.21, 1.3.22,  
1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32,  
1.3.33\*, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42,  
1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62,  
1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74,  
1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81

Data Sets:

1.4.1\*, 1.4.2\*, 1.4.3\*, 1.4.4\*, 1.4.5\*, 1.4.6\*, 1.4.7\*

Flowing Gas Related Standards:

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.8, 2.3.10, 2.3.12, 2.3.13, 2.3.15, 2.3.16,  
2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28,  
2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46,  
2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58,  
2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Data Sets:

2.4.1\*, 2.4.2, 2.4.3\*, 2.4.4\*, 2.4.5\*, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11,  
2.4.17, 2.4.18

Invoicing Related Standards:

Definition:

3.2.1

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.16,  
3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26

Data Sets:

3.4.1\*, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12,  
4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25,  
4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38,  
4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50,  
4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.61, 4.3.62, 4.3.66, 4.3.67,  
4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84,  
4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96,  
4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105

Capacity Release Standards:

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.1, 5.3.4, 5.3.5, 5.3.9, 5.3.10, 5.3.11, 5.3.12, 5.3.16, 5.3.18, 5.3.19, 5.3.20,  
5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34,  
5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.44, 5.3.45, 5.3.46,  
5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.56\*, 5.3.57,  
5.3.58, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67,  
5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72, 5.3.73

Data Sets:

5.4.14, 5.4.15, 5.4.16\*, 5.4.17, 5.4.20\*, 5.4.21\*, 5.4.22\*, 5.4.23, 5.4.24\*, 5.4.25,  
5.4.26\*, 5.4.27

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10,  
10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19,  
10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28,  
10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37,  
10.2.38

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11,  
10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21,  
10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27

# Appendix B

## North Baja Pipeline, LLC

### *FERC Gas Tariff, First Revised Volume No. 1*

#### *Marked Tariff*

<u>Tariff Section</u>	<u>Version</u>
6.1 – GT&C, Definitions	v.5.0.0
6.5 – GT&C, Inspection of Equipment and Records	v.3.0.0
6.6 – GT&C, Billing	v.3.0.0
6.7.5 – GT&C, Adjustment of Billing Error	v.3.0.0
6.14.2 – GT&C, Nomination Cycles	v.3.0.0
6.19.3 – GT&C, Notice Requirements	v.5.0.0
6.19.6 – GT&C, Bidding for a Parcel	v.7.0.0
6.19.8 – GT&C, Scheduling of Parcels, Bids and Notifications	v.3.0.0
6.19.9 – GT&C, Capacity Recall	v.3.0.0
6.40 – Gas Industry Standards	v.6.0.0

## 6.1. DEFINITIONS

1. Gas Day: In accordance with NAESB Standard 1.3.1, the term "Gas Day" shall mean 9:00 a.m. to 9:00 a.m. Central Clock Time (7:00 a.m. to 7:00 a.m. Pacific Clock Time).
2. Business Day: The term "Business Day" shall mean Monday through Friday, excluding U.S. Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
3. Month: The word "month" shall mean a period extending from the beginning of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
4. Maximum Daily Quantity: The term "Maximum Daily Quantity" or "MDQ" shall mean the maximum daily quantity in Dth of gas which NBP agrees to deliver exclusive of an allowance for compressor station fuel, line loss and other unaccounted for gas and transport for the account of Shipper to Shipper's point(s) of delivery on each day during the term of Shipper's Transportation Service Agreement with NBP.
5. Gas: The word "gas" shall mean natural gas.
6. Cubic Foot of Gas: The term "cubic foot of gas" is defined in accordance with NAESB Standard 2.3.9, as that quantity of gas which measures one (1) cubic foot at standard conditions of 14.73 psia, ~~at~~ 60 degrees F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, ~~at~~ 15 degrees C and dry. Standard 2.3.9, states in full "Standardize the reporting basis for Btu as 14.73 psia ~~and~~at 60 degrees F (101.325 kPa ~~and~~at 15 degrees C); ~~and dry~~). Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm2 ~~and~~at 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry."  
  
NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.
7. Mcf: The term "Mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in Section 6.4 hereof. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.

8. Dekatherm: The term "Dekatherm" or "Dth" is the quantity of heat energy equivalent to one million (1,000,000) British Thermal Units (MMBtu). Dth is the standard quantity for Nominations, Confirmations and Scheduled Quantities in the United States. For purposes of this tariff and associated Service Agreements, the terms MMBtu and Dth are synonymous.
9. Btu: The term "Btu" shall mean British Thermal Unit. The term "MMBtu" shall mean one million (1,000,000) British Thermal Units. The reporting basis for Btu shall be standardized as 14.73 dry psia and 60 degrees (60°) Fahrenheit (101.325 kPa and 15.6 degrees C).
10. Gross Heating Value. The term "gross heating value" shall mean the number of Btus in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.
11. Psig. The term "psig" shall mean pounds per square inch gauge.
12. Releasing Shipper: A firm transportation Shipper that intends to post its service to be released to a Replacement Shipper, has posted the service for release, or has released its service.
13. Replacement Shipper: A Shipper that has contracted to utilize a Releasing Shipper's service for a specified period of time.
14. Posting Period: The period of time during which a Releasing Shipper may post, or have posted by the pipeline, all or a part of its service for release to a Replacement Shipper.
15. Release Term: The period of time during which a Releasing Shipper intends to release, or has released all or a portion of its contracted quantity of service to a Replacement Shipper.
16. Bid Period: The period of time during which a Replacement Shipper may bid to contract for a parcel which has been posted for release by a Releasing Shipper.
17. Parcel: The term utilized to describe an amount of capacity, expressed in Dth/d, from a specific receipt point to a specific delivery point for a specific period of time which is released and bid on pursuant to the capacity release provisions contained in Section 6.19 of these General Terms and Conditions of Service.
18. Primary Release: The term used to describe the initial release of capacity by a Shipper to a Replacement Shipper.



19. Secondary Release: The term used to describe the release of capacity by a Replacement Shipper to a different Replacement Shipper.
20. Bid Reconciliation Period: The period of time subsequent to the Bid Period during which bids are evaluated by NBP.
21. Match Period: The period of time subsequent to the Bid Reconciliation Period and before the notification deadline for awarding capacity for Prearranged Deals that require bidding. During this period the Prearranged Shipper may match any higher bids for the Parcel.
22. Nomination: The provision of information to NBP necessary to effectuate a transportation transaction. Specific Nomination procedures are set forth in Section 6.14 of these General Terms and Conditions of Service.
23. Intraday Nomination: A Nomination submitted after the Nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of the Gas Day.
24. North American Energy Standards Board Standards: The term "North American Energy Standards Boards Standards" or "NAESB Standards" shall mean the standardized business practices and electronic communication practices promulgated by the North American Energy Standards Board from time to time and incorporated in the Code of Federal Regulations by the Federal Energy Regulatory Commission.
25. Forward Haul: The term "Forward Haul" shall refer to transportation service on NBP's system in which the nominated direction of flow from receipt point to delivery point is in the same direction as physical gas flow on the NBP system.
26. Backhaul: Transportation service on NBP's system in the opposite direction of a Forward Haul as defined in Section 6.1 paragraph 25 above.
27. Primary Path: The transportation path established by the receipt and delivery points as set forth in Shipper's executed Service Agreement. A Shipper's Primary Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 25 and 26 above.
28. Reverse Path: The transportation path that is in the opposite direction of that Shipper's Primary Path as defined in Section 6.1 paragraph 27 above. A Shipper's Reverse Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 25 and 26 above. Reverse Path transactions rely upon secondary point rights and are subject to the operating conditions of NBP's pipeline and will not be

made available to Shipper if NBP determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.

29. **Negotiated Rate:** A rate (including a Negotiated Rate Formula) that NBP and a Shipper have agreed will be charged for service under Rate Schedules FTS-1, ITS-1, or PAL-1 where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or be less than the minimum rate, for such component set forth in NBP's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate Schedules FTS-1, ITS-1, PAL-1 other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.
30. **Negotiated Rate Formula:** A rate formula that NBP and a Shipper have agreed will apply to service under a specific contract under Rate Schedules FTS-1, ITS-1, PAL-1 which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in NBP's Tariff for the given service.
31. **Recourse Rate:** The term "Recourse Rate" shall mean the applicable maximum rate that would apply to each respective Rate Schedule as set forth in the Statement of Rates of this FERC Gas Tariff.
32. **Commission:** The Federal Energy Regulatory Commission.
33. **Existing Capacity:** Capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
34. **Expansion Capacity:** Original system capacity or capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
35. **Cash Out Index Price:** The price calculated as the average "SoCal" price, as reported in Gas Daily's Daily Price Survey, for the month in which an imbalance occurs.

36. Energy Affiliate: The term "Energy Affiliate" shall have the meaning provided in Commission Order No. 2004, et seq.
37. Asset Manager: A party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The asset manager uses released capacity to serve the gas supply requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.

## 6.5 INSPECTION OF EQUIPMENT AND RECORDS

1. **Inspection of Equipment and Data:** NBP and Shipper shall have the right to inspect equipment installed or furnished by the other, and the charts and other measurement or test data of the other, at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done only by the entity installing or furnishing same. Unless NBP and Shipper otherwise agree, each shall preserve all original test data, charts and other similar records in such party's possession, for a period of at least six (6) years.
2. **Information for Billing:** When information necessary for billing by NBP is in the control of Shipper, Shipper shall furnish such information, estimated if actual is not available, to NBP on or before the third (3rd) working day of the month following the month transportation service was rendered. If Shipper furnishes estimated information, the actual information shall be furnished to NBP on or before the fifth (5th) working day of the month following the month transportation service was rendered.

**Verification of Computations:** NBP and Shipper shall have the right to examine at reasonable times the books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to these General Terms and Conditions of Service and to the rate schedules to which they apply, within twelve (12) months of any such statement, charge or computation. The time limitation for disputing allocations shall be six (6) months from the date of initial month-end allocation with a three-month rebuttal period, provided, however, that this limitation shall not apply in the case of a deliberate omission or misrepresentation or mutual mistake of fact, and shall not diminish the parties' other statutory or contractual rights. In accordance with NAESB Standard 2.3.11, a meter adjustment or correction becomes a prior period adjustment after the fifth (5th) business day following the Business Month. Any measurement of prior period adjustments are taken back to the production month. These provisions are in accordance with NAESB Standard 2.3.7, which establishes a cutoff for the closing of measurement of five (5) business days after business month.

In accordance with NAESB Standard 2.3.14, measurement data corrections should be processed within six (6) months of the production month with a three-month rebuttal period. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

## 6.6 BILLING

1. Billing under all Rate Schedules: On or before the ninth (9th) Business Day of each month, NBP shall render a bill to each Shipper under all applicable Rate Schedules for the service(s) rendered during the preceding month, which is in accordance with NAESB Standard 3.3.14, which provides that the imbalance statement should be rendered prior to or with the invoice, and the transportation invoice should be ~~prepared~~rendered on or before the ninth business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site.
2. Information for preparation of the bill: In the event that NBP does not have the Receipt Quantities, the Shipper promises to furnish NBP with all of the information and the material that the latter requires to calculate and verify the Receipt and Delivery Quantities.

If NBP does not receive said information in sufficient time to be able to bill the Shipper as provided for in this paragraph, said invoices shall be calculated based on the best estimate realized by NBP of the Delivery Quantity provided by the Shipper. Any excess or insufficient charges resulting from the differences between the aforementioned estimates and the real amounts shall be adjusted on the subsequent bill without any interest thereon.

3. Third Party Charges. Shipper shall be responsible for delivering all gas to, and accepting redelivery of all Gas from, Transporter's system, and shall be free to contract with third party(ies) upstream or downstream of Transporter's system to achieve such result. If Shipper requests, and Transporter agrees, Transporter will contract with third party(ies) for the benefit of Shipper and Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay such third party(ies), which charges may include, but are not limited to, reservation and/or usage charges and surcharges, fuel charges, compression fees, balancing or storage fees, measurement fees, processing fees, and/or facility charges. Such charges shall be set forth as separate items on billings rendered to Shipper.

- 6.7.5 Adjustment of Billing Error: In accordance with NAESB Standard 3.3.15, prior period adjustment time limits should be six (6) months from the date of the initial transportation invoice and seven (7) months from date of initial sales invoice with a three-month rebuttal period, excluding government-required rate changes. This standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

#### 6.14.2 Nomination Cycles.

In accordance with NAESB Standard 1.3.2, NBP will utilize the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard 0.3.17):

(a) ~~THE TIMELY NOMINATION CYCLE:~~

On the day prior to gas flow:

~~11:30 a.m. 1:00 p.m. (CCT) (9:30 a.m. PCT) n~~Nominations leave control of the nominating party~~service requester;~~

~~11:45 a.m. 1:15 p.m. (CCT) (9:45 a.m. PCT) receipt of n~~Nominations are received~~by NBP;~~

~~12:00 noon 1:30 p.m. (CCT) (10:00 p.m. PCT)~~NBP sends the Quick Response to the service requester;

~~34:30 p.m. (CCT) (1:30 p.m. PCT) receipt of completed confirmations by NBP from upstream and downstream connected parties~~receives completed confirmations from confirming parties;

~~4:30 5:00 p.m. (CCT) (2:30 p.m. PCT) receipt of scheduled quantities by Shipper and Service requester and point operator~~receive scheduled quantities from NBP~~(central clock time on the day prior to flow).~~

Scheduled quantities resulting from Timely Nominations should be effective at the start of the next Gas Day.

(b) ~~THE EVENING NOMINATION CYCLE:~~

On the day prior to gas flow:

~~6:00 p.m. (CCT) (4:00 p.m. PCT) n~~Nominations leave control of the nominating party~~service requester;~~

~~6:15 p.m. (CCT) (4:15 p.m. PCT) receipt of n~~Nominations are received~~by NBP;~~

~~6:30 p.m. (CCT) (4:30 p.m. PCT)~~NBP sends Quick Response to the service requester;

~~9:00 8:30 p.m. (CCT) (7:00 p.m. PCT) receipt of NBP~~receives completed confirmations by NBP from upstream and downstream connected parties~~confirming parties;~~

~~109:00 p.m. (CCT) (8:00 p.m. PCT)~~ NBP provides scheduled quantities to the affected Shippers/service requester and point operators, ~~and provides scheduled quantities and notice to including~~ bumped parties (notice to bumped parties). ~~Advance notice to bumped parties shall be provided by telephone, facsimile, or electronic mail, at the Shipper's option.~~

Scheduled quantities resulting from ~~an~~ Evening Nomination ~~will~~should be effective at ~~9:00 a.m. (CCT) (7:00 a.m. PCT)~~ on the following the start of the next gGas dDay.

(c) THE INTRADAY 1 NOMINATION CYCLE:

On the current Gas Day:

~~10:00 a.m. (CCT) (8:00 a.m. PCT)~~ nNominations leave control of the ~~nominating party~~service requester;

~~10:15 a.m. (CCT) (8:15 a.m. PCT)~~ receipt of ~~n~~Nominations are received by NBP;

~~10:30 a.m. (CCT) (8:30 a.m. PCT)~~ NBP sends the Quick Response to the service requester;

~~1:00~~12:30 p.m. ~~(CCT) (11:00 a.m. PCT)~~ NBP ~~receives~~receipt of completed confirmations ~~by NBP from upstream and downstream connected parties from~~ confirming parties;

~~21:00 p.m. (CCT) (12:00 noon PCT)~~ NBP provides scheduled quantities to the affected Shippers/service requester and point operators, ~~and provides scheduled quantities and notice to including~~ bumped parties (notice to bumped parties). ~~Advance notice to bumped parties shall be provided by telephone, facsimile, or electronic mail, at the Shipper's option.~~

Scheduled quantities resulting from Intraday 1 Nominations should be effective at ~~52:00 p.m. (CCT) (3:00 P.M. PCT)~~ on the current gGas dDay.

(d) THE INTRADAY 2 NOMINATION CYCLE:

On the current Gas Day:

~~5:00~~2:30 p.m. ~~(CCT) (3:00 p.m. PCT)~~ nNominations leave control of the ~~nominating party~~service requester;

~~5:15~~2:45 p.m. ~~(CCT) (3:15 p.m. PCT)~~ receipt of ~~n~~Nominations are received by NBP;



~~5:30~~3:00 p.m. ~~(CCT) (3:30 p.m. PCT)~~ NBP sends the Quick Response to the service requester;

~~85:00~~ 6:00 p.m. ~~(CCT) (6:00 p.m. PCT)~~ receipt of NBP receives completed confirmations by NBP from upstream and downstream connected parties from confirming parties;

~~9:00~~5:30 p.m. ~~(CCT) (7:00 p.m. PCT)~~ NBP provides scheduled quantities to the affected Shippers service requester and point operators, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations should be effective at ~~96:00~~ 6:00 p.m. ~~(CCT) (7:00 p.m. PCT)~~ on the current Gas Day.

~~Firm intraday nominations during the Intraday 2 Nomination Cycle may not bump nominated and scheduled interruptible volumes.~~

(e) THE INTRADAY 3 NOMINATION CYCLE

On the current Gas Day:

7:00 p.m. Nominations leave control of the service requester;

7:15 p.m. Nominations are received by NBP;

7:30 p.m. NBP sends the Quick Response to the service requester;

9:30 p.m. NBP receives completed confirmations from confirming parties;

10:00 p.m. NBP provides scheduled quantities to the affected service requester and point operator.

Scheduled quantities resulting from Intraday 3 Nominations should be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

(~~ef~~) For purposes of NAESB Standards 1.3.2-(ii), (iii), ~~and (iv)~~, and (v) (reflected in Section 6.14.2 (b) through (~~de~~) above), "provide" shall mean, for transmittals pursuant to NAESB Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

Transporter shall, at the end of each business day, make available to each Shipper information containing scheduled quantities including scheduled intraday nominations and any other scheduling changes.

NBP shall have the discretion to accept nominations at such later times as operating conditions permit and without detrimental impact to other Shippers and upon confirmation that corresponding upstream and downstream arrangements in a manner satisfactory to NBP have been made. In the event later nominations are accepted, NBP will schedule those nominations after the nominations received before the nominations deadline, which is in accordance with NAESB Standard 1.3.6, that states nominations received after nomination deadline should be scheduled after the nominations received before the nomination deadline.

### 6.19.3 Notice Requirements.

Any Releasing Shipper electing to release capacity shall submit a notice via NBP's Internet website that it elects to release firm capacity. The notice shall set forth the following information:

- (a) Releasing Shipper's legal name, contract number, and the name, e-mail, and telephone number of the individual responsible for authorizing the release of capacity.
- (b) Rate schedule of the Releasing Shipper.
- (c) In accordance with NAESB Standard 5.3.26, the Releasing Shipper should specify which one of the following methods is acceptable for bidding on a given capacity release offer:
  - Non-Index-based release – dollar and cents,
  - Non-Index-based release – percentage of maximum rate, or
  - Index-based formula as detailed in the capacity release offer.

~~In accordance with NAESB Standard 5.3.27, for purposes of bidding and awarding, maximum/minimum rates specified by the Releasing Shipper should include the tariff reservation rate and all demand surcharges, as a total number or as stated separately. The Bids for the given capacity release offer should adhere to the method specified by the Releasing Shipper.~~ If a volumetric rate is used, Releasing Shipper must indicate whether bids on a reservation charge basis will be accepted as well and if so must specify the method of evaluating the two types of bids.

- (d) Daily quantity of capacity to be released, expressed in Dth/d, at the designated delivery point(s). (This must not exceed Releasing Shipper's maximum contract demand available for capacity release and shall state the minimum quantity expressed in Dth/d acceptable for release.)
- (e) The term of the release, identifying the date release is to begin and terminate. The minimum release term acceptable to NBP shall be one (1) day.
- (f) Whether the Releasing Shipper is willing to consider release for a shorter period of time than that specified in (e) above and if so, the minimum acceptable period of release.
- (g) The receipt and delivery point(s).

- (h) Whether Option 1, 2, 3 or 4 shall be used to determine the highest valued bid (see Section 6.19.7(a) for a description of bid evaluation options).
- (i) Whether the Releasing Shipper requests to waive the creditworthiness requirements and agrees in such event to remain liable for all charges.
- (j) Whether Releasing Shipper is an energy affiliate or other affiliate of NBP.
- (k) If release is a prearranged release, the Prearranged Shipper must be qualified pursuant to the criteria of Section 6.19.6(a) unless waived above. Releasing Shipper shall include the Prearranged Shipper bid information pursuant to Section 6.19.6(b) with its release information and shall indicate whether the Prearranged Shipper is affiliated with NBP or the Releasing Shipper.
- (l) Any special nondiscriminatory terms and conditions applicable to the release, such as whether the Replacement Shipper will be prohibited from changing Primary Points.
- (m) Tie-breaker method preferred: (1) pro rata, (2) order of submission (first-come/first-serve). If no method is selected, the system defaults to pro rata.
- (n) Recall provisions. These provisions must be objectively stated, nondiscriminatory, and applicable to all bidders, operationally and administratively feasible as determined by NBP and in accordance with NBP's tariff.
- (o) The minimum rate (percentage of: reservation charge or a volumetric equivalent of the maximum reservation charge applicable to the Parcel on a one hundred percent (100%) load-factor basis) acceptable to Releaser for this Parcel.
- (p) Whether the Releasing Shipper is willing to accept contingent bids and, if so, any nondiscriminatory terms and conditions applicable to such contingencies including the date by which such contingency must be satisfied (which date shall not be later than the last day of the Bid Period).
- (q) Whether the Releasing Shipper wants to specify a longer bidding period for its Parcel than specified at Section 6.19.8.

#### 6.19.6 Bidding for a Parcel.

(a) Preliminary Qualification.

Replacement Shippers are encouraged to pre-qualify in advance of any postings on NBP's Internet website as credit requirements will take differing amounts of time to process depending on the particular financial profile of Replacement Shippers. The pre-qualification process will authorize a pre-set maximum monthly financial exposure level for the Replacement Shipper. Such exposure levels may be adjusted by NBP periodically re-evaluating a Replacement Shipper's credit-worthiness.

Releasing Shippers may exercise their option to waive the credit requirements for any Replacement Shipper wishing to bid on a Parcel posted by that Releasing Shipper. Such waiver must be made on a nondiscriminatory basis. Releasing Shipper must inform NBP of such waiver through the customer activities link on NBP's Internet website before it will authorize such Replacement Shipper's participation with respect to that particular Parcel. In this instance, no pre-set maximum monthly financial exposure level is applicable.

Should a Releasing Shipper waive the credit requirements for a Replacement Shipper, the Releasing Shipper shall be liable for all charges incurred by the Replacement Shipper in the event such Replacement Shipper defaults on payment to NBP for such capacity release service.

Any potential Replacement Shipper may submit a bid for parcels posted for release. NBP will determine the highest valued bid, based on the bid evaluation method selected by the Releasing Shipper, and verify that the Shipper placing the bid meets NBP's credit requirements before awarding the parcel. Upon notification by NBP of an award of a parcel, NBP shall complete a new FTS-1 contract with the particulars of the awarded parcel and Replacement Shipper shall execute this new contract electronically.

Once a Replacement Shipper has acquired capacity, authority is granted to the Replacement Shipper to release that capacity, unless the Releasing Shipper has specified that the parcel cannot be re-released.

The execution of the FTS-1 service agreement will constitute an obligation on the part of the Replacement Shipper to be bound by the terms and conditions of NBP's capacity release program as set forth in these General Terms and Conditions of Service.

(b) Submitting a Bid.

All bids must be submitted through the use of NBP's Internet website. Such bids shall be "open" for all participants to review. The particulars of all bids will be available for review but not the identity of bidders. NBP will post the identity of the winning bidder(s) only.

A Replacement Shipper cannot request that its bid be "closed", nor can a Releasing Shipper specify that "closed" bids be submitted on its releases. A Replacement Shipper may submit only one bid per Parcel posted at any one point in time. Bids received after the close of the Bid Period shall be invalid. The Replacement Shipper may bid for no more than the quantity of the Parcel posted by the Releasing Shipper. Simultaneous bids for more than one Parcel are permitted.

A valid bid to contract for a Parcel must contain the following information:

- (i) Replacement Shipper's legal name, e-mail, telephone number and the name of the individual responsible for authorizing the bid.
- (ii) The identification of the Parcel bid on.
- (iii) Term of service requested. The term of service must not exceed the term included in the Parcel.
- (iv) Percentage of the applicable maximum rate, or price in dollars and cents per Dth/d, as identified in the Parcel, that the Replacement Shipper is willing to pay for non-index-based releases or the index-based formula as detailed in the capacity release offer. A Replacement Shipper may not bid below the minimum applicable charge or rate. ~~The bids for the given capacity release offer should adhere to the method specified by the Releasing Shipper. The bidder may bid the maximum reservation rate, in NBP's Tariff, as an alternative to the method specified by the Releasing Shipper, except when the release is index-based for a term of one year or less or utilizes market-based rates.~~
- (v) The quantity desired not to exceed the quantity contained in the Parcel, expressed on a Dth/d delivered basis and greater than the minimum quantity acceptable to Replacement Shipper.
- (vi) A statement as to whether or not Replacement Shipper is an affiliate of the Releasing Shipper.

- (vii) An affirmative statement that Replacement Shipper agrees to be bound by the terms and conditions of Rate Schedule FTS-1 and NBP's capacity release provisions in its tariff.
  - (viii) Whether the bid is a contingent bid.
- (c) Confirmation of Bids.

The receipt of a valid bid by NBP will be acknowledged by NBP electronically. It is the Replacement Shipper's sole responsibility to verify the correctness of the submitted bid and to take any corrective action necessary by resubmitting a bid when notified of an invalid or incomplete bid by NBP via the Internet website. This must be done before the close of the Bid Period.

- (d) Withdrawal or Revision of Bids.

A previously submitted bid may be withdrawn or revised and resubmitted at any time prior to the close of the Bid Period with no obligation on the Replacement Shipper's part. In accordance with NAESB Standard 5.3.15, bids cannot be withdrawn after the bid period ends. Resubmitted bids must be equal to or greater in value than the initial bids. Lower valued bids will be invalid. In accordance with NAESB Standard 5.3.13, bids should be binding until notice of withdrawal is received by NBP on its Internet website.

### 6.19.8 Scheduling of Parcels, Bids and Notifications.

In accordance with NAESB Standard 5.3.2, the following timelines, stated in CCT, apply to capacity release transactions.

For biddable releases (1 year or less):

- ~~Offers~~ should be tendered such that they can be posted by 12:00 P.M. 9:00 a.m. CCT (10:00 A.M. PCT) on a Business Day;
- ~~Open season ends no later than at 1:00 P.M. 10:00 a.m. CCT (11:00 A.M. PCT) on the same or a subsequent Business Day. (evaluation period begins at 1:00 P.M. CCT (11:00 A.M. PCT) during which contingency is eliminated, determination of best bid is made, and ties are broken);~~
- Evaluation period begins at 10:00 a.m. CCT (8:00 a.m. PCT) during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the award is posted by 11:00 a.m. posting if no match period is required at 2:00 P.M. CCT (12:00 P.M. PCT);
- Where match is required, the match or award is communicated by 2:00 P.M. 11:00 a.m. CCT (12:00 P.M. PCT); the match response occurs by 11:30 a.m. CCT (9:30 a.m. PCT), and the award is posted by 12:00 noon CCT (10:00 a.m. PCT).
- ~~match response by 2:30 P.M. CCT (12:30 P.M. PCT);~~
- ~~where match is required, award posting by 3:00 P.M. CCT (1:00 P.M. PCT);~~
- The contract is issued within one (1) hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For biddable releases (more than 1 year):

- ~~Offers~~ should be tendered such that they can be posted by 12:00 P.M. 9:00 a.m. CCT (10:00 A.M. PCT) four (4) on a Business Days before award;
- ~~Open season shall include no less than three 9:00 a.m. to 10:00 a.m. CCT (7:00 a.m. to 8:00 a.m. PCT) time periods on consecutive Business Days. ends no later than 1:00 P.M. CCT (11:00 A.M. PCT) on the Business Day before timely nominations are due (open season is three (3) Business Days);~~
- ~~Evaluation period begins at 1:00 P.M. 10:00 a.m. CCT (11:00 A.M. PCT) during which contingency is any contingencies are eliminated, determination of best bid is made, and ties are broken;~~
- If no match is required, the evaluation period ends and the award posting if no match is required at is posted by 2:00 P.M. 11:00 a.m. CCT (12:00 P.M. PCT);
- Where match is required, the match is communicated by 11:00 a.m. CCT (9:00 a.m. PCT), the match response occurs by 11:30 a.m. CCT (9:30 a.m. PCT), and the or award is communicated posted by 12:00 P.M. noon CCT (12:00 P.M. PCT);



- ~~— match response by 2:30 P.M. CCT (12:30 P.M. PCT);~~
- ~~— where match required, award posting by 3:00 P.M. CCT (1:00 P.M. PCT);~~
- The contract is issued within one (1) hour of the award posting (with a new contract number, when applicable).;
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For non-biddable releases:

~~Timely Cycle~~

- ~~— posting of prearranged deals not subject to bid are due by 10:30 A.M. CCT (8:30 A.M. PCT);~~
- ~~— contract issued within one (1) hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.~~

~~Evening Cycle~~

- ~~— posting of prearranged deals not subject to bid are due by 5:00 P.M. CCT (3:00 P.M. PCT);~~
- ~~— contract issued within one (1) hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.~~

~~Intraday 1 Cycle~~

- ~~— posting of prearranged deals not subject to bid are due by 9:00 A.M. CCT (7:00 A.M. PCT);~~
- ~~— contract issued within one (1) hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.~~

~~Intraday 2 Cycle~~

- ~~— posting of prearranged deals not subject to bid are due by 4:00 P.M. CCT (2:00 P.M. PCT);~~
- ~~— contract issued within one (1) hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract.~~
- The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard 1.3.2. The posting deadlines are:

- Timely Cycle 12:00 noon CCT (10:00 a.m. PCT)
- Evening Cycle 5:00 p.m. CCT (3:00 p.m. PCT)
- Intraday 1 Cycle 9:00 a.m. CCT (7:00 a.m. PCT)
- Intraday 2 Cycle 1:30 p.m. CCT (11:30 a.m. PCT)
- Intraday 3 Cycle 6:00 p.m. CCT (4:00 p.m. PCT)

- The contract is issued within one hour of the award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

6.19.9 Capacity Recall.

Releasing Shipper(s) may, to the extent permitted as a condition of the capacity release, recall released capacity (scheduled or unscheduled) in accordance with NAESB Standard 5.3.44~~at the Timely Nomination cycle and the Evening Nomination cycle, and recall unscheduled released capacity at the Intra-Day 1 and Intra-Day 2 Nomination cycles by providing notice to the Transporter by the following times for each cycle: 8:00 A.M. CCT (6:00 A.M. PCT) for the Timely Nomination cycle; 5:00 P.M. CCT (3:00 P.M. PCT) for the Evening Nomination cycle; 8:00 A.M. CCT (6:00 A.M. PCT) for the Intra-Day 1 Nomination Cycle; and 3:00 P.M. CCT (1:00 P.M. PCT) for the Intra-Day 2 Nomination cycle.~~ In accordance with NAESB Standard 5.3.55, recall quantities should be expressed in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. Notification to Replacement Shippers shall be provided by Transporter within one (1) hour of receipt of recall notification.

6.40 GAS INDUSTRY STANDARDS

Compliance with 18 CFR, Section 284.12

NBP has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 23.0, and the standards revised by Minor Corrections MC15003, MC15004, MC15005, MC15009 and MC15012 all marked with an asterisk [\*], which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

**Standards not Incorporated by Reference and their Location in Tariff:**

<u>NAESB Standard</u>	<u>Tariff record</u>
1.3.1*	GT&C – Definitions, 6.1.1
1.3.2(i-vi)	GT&C – Nomination Cycles, 6.14.2
1.3.5*	GT&C – Information to be Provided with Nomination, 6.14.1
1.3.6	GT&C – Nomination Cycles, 6.14.2(e)
1.3.7	GT&C – Changes to Nominations, 6.14.3(a)
1.3.8*	GT&C – Changes to Nominations, 6.14.3(b)
1.3.9*	GT&C – Changes to Nominations, 6.14.3(c)
1.3.11*	GT&C – Changes to Nominations, 6.14.3(b)
1.3.19	GT&C – Information to be Provided with Nomination, 6.14.1
2.3.7	GT&C – Inspection of Equipment and Records, 6.5.2
2.3.9	GT&C – Definitions, 6.1.6
2.3.11	GT&C – Inspection of Equipment and Records, 6.5.2
2.3.14	GT&C – Inspection of Equipment and Records, 6.5.2
3.3.14	GT&C – Billing, 6.6.1
3.3.15	GT&C – Adjustment of Billing Error, 6.7.5
3.3.17	GT&C – Payment Under All Rate Schedules, 6.7.1
3.3.18	GT&C – Payment Under All Rate Schedules, 6.7.1
3.3.19	GT&C – Payment Under All Rate Schedules, 6.7.1
5.3.2	GT&C – Scheduling of Parcels, Bids, and Notifications, 6.19.8
5.3.3	GT&C – Allocation of Parcels, 6.19.7(a)
5.3.7	GT&C – Capacity Reput, 6.19.10
5.3.8	GT&C – Reput Method and Rights, 6.19.11
5.3.13	GT&C – Bidding for a Parcel, 6.19.6(d)
5.3.14	GT&C – Posting of a Parcel, 6.19.5
5.3.15	GT&C – Bidding for a Parcel, 6.19.6(d)
5.3.26	GT&C – Notice Requirements, 6.19.3(c); <del>and</del>
<del>GT&amp;C – Bidding for a Parcel, 6.19.6(b)</del>	
<del>5.3.27</del>	<del>GT&amp;C – Notice Requirements, 6.19.3(c)</del>

5.3.55 GT&C – Capacity Recall, 6.19.9

**Standards Incorporated by Reference:**

Additional Standards:

General:

Standards:  
0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards:  
0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications:

Definitions:  
0.2.1, 0.2.2, 0.2.3, 0.2.4, 0.2.5

Standards:  
0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:  
0.3.18, ~~0.3.19~~, 0.3.20, 0.3.21, 0.3.22

Data Sets:  
0.4.2\*, 0.4.3

Location Data Download:

Standards:  
0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:  
0.4.4\*

Storage Information:

Data Sets:

0.4.1\*

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

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~~1.3.2(vi)~~, 1.3.3, 1.3.4, 1.3.13, 1.3.14, 1.3.15, 1.3.16, 1.3.17, 1.3.18, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.33\*, 1.3.34, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, ~~1.3.47~~, 1.3.48, ~~1.3.49~~, ~~1.3.50~~, 1.3.51, ~~1.3.52~~, 1.3.53, ~~1.3.54~~, 1.3.55, 1.3.56, ~~1.3.57~~, 1.3.58, ~~1.3.59~~, ~~1.3.60~~, ~~1.3.61~~, 1.3.62, ~~1.3.63~~, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81

Data Sets:

1.4.1\*, 1.4.2\*, 1.4.3\*, 1.4.4\*, 1.4.5\*, 1.4.6\*, 1.4.7\*

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Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.8, 2.3.10, 2.3.12, 2.3.13, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.26, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, ~~2.3.33~~, ~~2.3.34~~, ~~2.3.35~~, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, ~~2.3.49~~, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Data Sets:

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Invoicing Related Standards:

Definition:

3.2.1

Standards:

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3.3.13, 3.3.16, ~~3.3.20,~~ 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26

Data Sets:

3.4.1\*, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

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4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

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4.3.25, 4.3.26, 4.3.27, 4.3.28, ~~4.3.29,~~ 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35,  
4.3.36, 4.3.38, ~~4.3.39,~~ 4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47,  
4.3.48, 4.3.49, 4.3.50, ~~4.3.51,~~ 4.3.52, 4.3.53, 4.3.54, 4.3.55, ~~4.3.56,~~ 4.3.57, 4.3.58,  
~~4.3.59,~~ 4.3.60, 4.3.61, 4.3.62, ~~4.3.65,~~ 4.3.66, 4.3.67, 4.3.68, 4.3.69, 4.3.72, ~~4.3.73,~~  
~~4.3.74,~~ 4.3.75, ~~4.3.76,~~ 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84, 4.3.85,  
4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97,  
4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105

Capacity Release Standards:

Definitions:

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5.3.21, 5.3.22, 5.3.23, 5.3.24, 5.3.25, 5.3.28, 5.3.29, 5.3.31, 5.3.32, 5.3.33, 5.3.34,  
5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.44, 5.3.45, 5.3.46,  
5.3.47, 5.3.48, 5.3.49, 5.3.50, 5.3.51, 5.3.52, 5.3.53, 5.3.54, 5.3.56\*, 5.3.57,  
5.3.58, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67,  
5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72, 5.3.73

Data Sets:

5.4.14, 5.4.15, 5.4.16\*, 5.4.17, 5.4.20\*, 5.4.21\*, 5.4.22\*, 5.4.23, 5.4.24\*, 5.4.25,  
5.4.26\*, 5.4.27

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10,  
10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19,  
10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28,  
10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37,  
10.2.38

**Standards:**

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11,  
10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21,  
10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27