

**Allocation of End User Transportation Customer (EUT)-Owned Gas  
Transported on Pipelines**

1. In the event the total gas supply volumes (therms) to be delivered (company-owned plus EUT-Owned) to any of the company's gate stations cannot be utilized by all of the company's customers which are served from that gate station, the company may allocate the EUT-Owned gas supplies to be transported through that gate station. The company shall inform the demand aggregator of the gate stations and associated pipeline systems for which the following allocation procedures will be performed. In order to determine the need to allocate, the company will determine the daily available EUT capacity ("Daily Available End User Transporter Capacity") through each gate station for the designated pipeline systems by subtracting the daily volume the company will transport through the gate station for system gas requirements from the estimated daily operational capacity of each designated gate station. Demand aggregators will nominate their transportation requirements in accordance with the Nominations Procedure as found on Schedule X-280. If the sum of all demand aggregator transportation service provider (TSP) supply nominations exceeds the Daily Available End User Transporter Capacity, the amount of capacity allocated to each demand aggregator will be equal to the demand aggregator's TSP supply nomination times the ratio of the Daily Available End User Transporter Capacity to the sum of all demand aggregator's TSP supply nominations.
2. The company will notify the EUTs, their marketers, their agents, their demand aggregators, and/or their shippers as soon as possible of such allocation.

### Nominations Procedure

1. An end user transportation customer (EUT), marketer, and/or agent (shipper or service requester) shall follow the procedure set forth below when using a transportation service of the company. Prior to the start of a gas day, the EUT, marketer, and/or its agent shall submit to the company, in addition to other information requirements as described herein, the same supply nomination provided to the pipeline(s) (transportation service provider [TSP] supply nomination) specifying the amount (dekatherms) of gas for the period the TSP will transport to the company's natural gas distribution system.
2. Any EUT, marketer, and/or its agent that is a subscriber to non-LDC Balancing Service(s) (NLBS) and is invoking the NLBS, must submit a customer demand nomination, a NLBS nomination in addition to the TSP supply nomination for a given period on those days when the NLBS is expected to be activated. A NLBS nomination shall indicate to the company that the non-LDC Balancing Service is activated for the day of flowing gas.

If an NLBS is not invoked the Customer Demand Nomination will be assumed to be the same as the TSP Nomination. For all others, the TSP supply nomination and the customer demand nomination shall be exactly equal for the same period.

3. For any EUT, marketer, and/or its agent that has invoked its non-LDC Balancing Service(s), the TSP supply nomination for the same period shall represent the quantity of gas the shipper intends to move to the company's distribution system but not necessarily the quantity of gas intended for ultimate consumption. The company's expectation is that the absolute difference between the metered usage and the TSP supply nomination would be injected into or withdrawn from the EUT's, marketer's and/or agent's NLBS account. However, in the event NLBS is not activated on a given gas day by the customer and the company provides balancing service, it will only credit the EUT, marketer, and/or its agent for its TSP supply up to the amount allocated by the TSP.
4. The company shall require that any nominations (e.g., TSP supply nominations, customer demand nominations, NLBS nominations) from EUTs, marketers, or its agents for either individual EUTs or for pools be made to a delivery point(s) assigned by the company applicable to the operating system of the distribution system where the EUT is physically located. Operating, economic impact, and/or *force majeure* conditions shall dictate whether the company will permit, at its sole discretion, delivery to an adjacent or alternative operating system or delivery point. The company reserves the right to cut, and/or not confirm nominations when they are performed in a manner inconsistent with this procedure. See Schedule X-490, Map, for a website location of a downloadable map of the operating systems within the company's franchise area.

**Nominations Procedure** (continued)

5. Any nomination (e.g., TSP supply nomination, customer demand nomination, NLBS nomination) must be submitted to the company via its established Web site and must include the nomination information requirements as described herein. (See Nominations Information Requirements List as found elsewhere on this Schedule.) In the event that the company's Web site is not operational, then and only then, nominations shall be submitted via facsimile or some other electronic alternative means that the company finds suitable.
6. Any nomination (e.g., TSP supply nomination, customer demand nomination, NLBS nomination) must be received by WISCONSIN ELECTRIC - GAS OPERATIONS (WEGO) Gas Scheduling by 11:30 a.m. central clock time on the day prior to the day of flowing gas, for that nomination to be considered a timely nomination. All information requirements described herein must be satisfied in order for any nomination to be processed by the company. All nominations, including intra-day nominations, shall be a daily quantity. An intra-day nomination shall be subject to the TSP flow rules, including, but not limited to, 8/24<sup>ths</sup> and 12/24<sup>ths</sup>. Nomination deadlines as described herein must be met in order for the company to actively confirm timely, evening, intra-day 1, and intra-day 2 nominations. Changes to nominations will not be confirmed by the company after the deadlines established for each nomination type have passed except at the company's sole discretion. (See Timeline for Nominations chart found in this Schedule.)
7. Any nomination to the company submitted by any nominating party must meet the acceptance criteria of the company. The company will notify the TSP, EUT, marketer, and/or its agent when a nomination has not been accepted. Intra-day nominations that result in allocated quantities from the TSP that are less than the amount of gas that has already flowed on the company's system for the gas day which cause the company to incur penalties and/or incremental costs, shall subject those quantities flowed in excess of the TSP allocated quantities to penalties and incremental costs as found on Schedule X-215, Penalties. Such penalties and/or incremental costs shall be billed to the EUT, marketer, and/or its agent.
8. To the extent that an EUT's, marketer's, and/or its agent's TSP supply nomination quantity reported to the company does not match a TSP supply nomination reported from the pipeline to the company, the company reserves the right, at its sole discretion, to confirm the lesser quantity of the two nominations to the TSP. Furthermore, the company shall not confirm a TSP supply nomination that is not provided to it.
9. It shall be the sole obligation of any EUT, marketer, and/or its agent that is a subscriber to non-LDC Balancing Service(s) (NLBS) to inform WISCONSIN ELECTRIC - GAS OPERATIONS Gas Scheduling (WEGO) via telephone, via facsimile or other electronic means the company deems appropriate when the TSP providing the NLBS interrupts that NLBS. Failure to report any NLBS interruption to WEGO will result in the applicable EUT, marketer, and/or its agent that subscribes to that NLBS being subject to penalties and incremental costs as found on Schedule X-215, Penalties.

**Nominations Procedure** (continued)

10. City gate gas trades will be permitted at all of the delivery points applicable to the company's operating systems subject to the nomination terms, conditions, and requirements as found elsewhere on this Schedule, including the due dates and times discussed in item 6 above.
11. In order to process city gate gas trades, the Service Requester owning the TSP contract and the nominating entity receiving the gas on the company's distribution system shall comply with the nomination information requirements as described herein. Any request for city gate gas trades will be accepted if and only if there is an exact match between the nomination by the Service Requester to the TSP and the nomination to the company by the nominating entity receiving the gas.
12. In the unforeseen event that an exact match in quantities does not exist between the parties, this unmatched difference shall be subject to the company's balancing tariff fees as found Schedule X-150, Demand Aggregator Balancing Service (DABS) and Penalties as found on Schedule X-215 and shall be billed to the EUT, marketer, or its agent associated with the Downstream Contract Identifier.
13. In the event that gas is delivered to one of the company's delivery points and the nomination to take ownership of the gas was not received by the company by the pipeline deadlines established for each nomination type, such gas will be deemed trespass gas left on the company's system. The trespass quantity of gas shall be subject to the company's balancing tariff fees as found on Schedule X-150, DABS, and Penalties as found on Schedule X-215 and shall be billed to the Service Requester entity (shipper) that caused the trespass gas to be shipped to the company's delivery point(s). Notwithstanding, to the extent: a) such nomination failure was due to a failure of the company's web-site and/or inability to receive facsimile or electronic transmission of nominations, and b) the owner of the gas can be identified by pipeline downstream information and a retroactive nomination is received, then, at the company's sole discretion, such gas may be applied to the applicable EUT, marketer, agent or demand aggregator.
14. In the event that the company receives retroactive pipeline invoice adjustments that require changes to the quantity of gas that the EUT, marketer, or its agent has been credited for by the company, the revised imbalances shall be subject to the company's rates, rules and regulations as found in the currently effective tariff and invoiced accordingly.

**Nominations Procedure** (continued)

15. The company will only permit the use of one and only one NLBS provider by an EUT, marketer, or its agent using a Demand Aggregator Balancing Service (DABS) pool on any given gas day. In the situation where an EUT, marketer, agent or its demand aggregator has natural gas quantities delivered to the company's distribution system which are not linked to its non-LDC balancing service on days where it is in use, the company will report BTA's allocated per the table immediately below this paragraph to the NLBS provider.

All contracts linked to NLBS?

Yes

No

BTA quantity Reported to NLBS Provider

Actual Metered Usage

greater of [actual metered usage minus  
non-linked delivered quantities of natural gas]  
or zero.

16. When nominating to multiple TSPs the EUT, marketer, agent or demand aggregator may only select one of the TSPs as its NLBS provider. The metered usage (burner tip actual usage or "BTA") reported to the TSP providing NLBS shall equal the greater of the difference between the metered usage minus the allocated quantity of all non-linked delivery quantities or zero. When the metered usage is less than the quantity of natural gas delivered from the non-linked delivery quantities the metered usage and the delivered quantity shall be subject to the balancing tariff as found on schedule X-150, Demand Aggregator Balancing Service, and the BTA's reported to the TSP providing the NLBS shall be zero.
17. On days where the EUT, marketer and/or agent receives Best Efforts Service quantities of natural gas, the Best Efforts quantity of natural gas shall be included in with the EUT, marketer, and/or agent's total supply for the gas day.

### Timeline for Nominations

All nominations to the company must be made in accordance with the following deadlines:

Type of Nomination	Gas Scheduling Nomination Deadline
Timely	11:30 a.m., gas day 1
Evening	5:00 p.m., gas day 1
Intra-day 1	9:00 a.m., gas day 2
Intra-day 2	4:00 p.m., gas day 2

- Gas day 1 = Gas day (9:00 a.m. – 8:59 a.m.) prior to gas flow
- Gas day 2 = Gas day (9:00 a.m. – 8:59 a.m.) of gas flow
- All times are central clock time
- Additional nomination cycles may be accepted by the company on a best efforts basis.

The Company reserves the right to honor other FERC approved out of cycle nominations at its sole discretion.

In the event that NAESB rules change, nominations to the company may change as necessary.

**Nominations Information Requirements List**  
(Illustrative of Items Required on the Company's Web Site for Nominations)

Item No.	Description	Required for Co.'s Web Site	Required for Fax or Backup
1	Receipt or Delivery [Enter R or D]	X	X
2	Service Requester (Shipper) Name [Who owns the pipeline capacity contract]	-	X
3	Shipper Identifier Code [Shipper's DUNS Number]	X	X
4	Service Requester (Shipper) Contract Number Associated with Transportation Service Provider (TSP)	X	X
5	Upstream Identifier Code (Party Supplying the Natural Gas to the Service Requester)	X	X
6	Upstream Contract Identifier [Pool Manager Customer Service Agreement Number, or WEGO Account Number]	X	X
7	Downstream Identifier Code (The DUNS Number of the Party Receiving the Natural Gas)	X	X
8	Downstream Contract Identifier [Pool Manager Customer Service Agreement Number, or WEGO Account Number]	X	X
9	Delivery point (Pipeline Data Reference Number [DRN])	X	X
10	Marketer/Agent Name	X	X
11	Timely Nomination (T), Evening (E), Intra-day 1 Nomination (I-1), or Intra-day 2 Nomination (I-2). [Specify T, E, I-1, or I-2] Additional nomination cycles may be accepted by the company on a best efforts basis.	Time Stamp determines	X
12	Transportation Service Provider (TSP) (e.g., ANR, NGPL, etc.)	X	X
13	TSP (Pipeline) Contract Transaction Type: Firm or Interruptible (Enter FT or IT)	X	X

**Nominations Information Requirements List** (continued)  
(Illustrative of Items Required on the Company's Web Site for Nominations)

Item No.	Description	Required for Co.'s Web Site	Required for Fax or Backup
14	Nomination Start Date (MM/DD/YYYY)	X	X
15	Nomination End Date (MM/DD/YYYY)	X	X
16	TSP (Pipeline) Supply Nomination for Day 1 (Dths). If nominating, enter 0 or greater.	X	X
17	Non-LDC Balancing Service (NLBS) Provider.	X	X
18	Non-LDC Balancing Service (NLBS) Name.	X	X
19	Non-LDC Balancing Service (NLBS) Contract Number.	X	X
20	Non-LDC Balancing Service (NLBS) Nomination for Day 1 (Dths). (If NLBS nomination>0, the Service is activated.)	X	X
21	Customer Demand Nomination for Day 1 (Dths). If no non-LDC Balancing Service, leave blank.	X	X
22	Contact Name	-	X
23	Contact Phone or Pager Number	-	X

### **Remote Meter Reading Facilities**

1. To facilitate the transportation of end user transportation customer (EUT) gas supply, the company will require the installation and operation of equipment and other facilities to read remotely the EUT's meter(s). The EUT agrees to allow the company to install and operate such equipment and the EUT further agrees to pay the equipment and installation charges for such equipment as found on Schedule X-235, Other Charges. The EUT may elect to pay for such equipment as a single charge at the time of installation or over the 12-month period immediately following installation of such equipment.

### **Constraint Period(s)**

End user transportation customers, (EUTs) marketers, and/or their agents are subject to high flow and low flow gas supply management policies and procedures on the calling of a High or Low Flow Constraint.

#### **Constraint Notification**

1. The company will provide constraint period notification information electronically via the company's currently established Web page as defined in Schedule X-490, Glossary under web page. Any messages posted to the company's Web page regarding the company's intention to declare a constraint period will be posted by the company as far in advance as possible but no less than two hours before the start of such constraint period.
2. The company, in addition to electronic notification via its web site, shall also attempt to notify telephonically only the EUT, marketer, or its agent that submitted the nomination to the company as far in advance as possible of a High Flow Constraint Period or a Low Flow Constraint Period. However, notice shall be provided no less than two hours before the start of such constraint period, which may include intra-day constraints that could apply on an hourly basis to the current gas flow day.
3. The EUT, marketer, and/or its agent shall be responsible for keeping the company informed of accurate and current EUT, marketer, and/or agent contact information, including but not limited to personnel names and their availability, phone numbers, and pager numbers. If the company attempts to contact the EUT, marketer, and/or its agent and determines, at the company's sole discretion, that customer contact information for the EUT, its marketer and/or its agent is inaccurate such that the company is unable to notify the EUT, marketer, or its agent, they shall continue to be subject to all constraint period rules and penalties.
4. Depending upon the prevailing operating conditions (see Schedule X-290, Constraint Declaration Example Scenarios), the company may call a constraint across the entire distribution system, or limit the constraint to one or more operating system(s), pipeline gate(s), DABS Pool(s) or end user transporter(s). The geographical area and level of the constraint shall be clearly identified by the company at the time the company notifies those affected by the constraint period.
5. Any EUT, marketer, and/or its agent or demand aggregator named specifically, or in area(s) for which a constraint period is called will be subject to unauthorized gas penalties on all unauthorized gas in addition to normal cashout charges. The company shall have the authority to waive any unauthorized gas penalty charges that are the direct result of remote meter reading equipment errors as determined by the company at its sole discretion.
6. In the event that an EUT, marketer, and/or its agent or demand aggregator does not comply with a constraint order, the company will have the authority at all times, but not be required to valve-off non-compliant customers during periods of constraint (e.g., when there may be loss of life involved).

**Constraint Period(s)** (continued)**Constraint Reporting Requirement**

A report of constraints declared shall be provided to the Public Service Commission of Wisconsin within 60 days of each constraint. Included in the report will be the date of the constraint, the kind of constraint (high or low flow), the identity(s) of the EUT, marketer, and/or its agent or demand aggregator, pipeline gate(s), operating system(s), and/or pooling district(s) subject to the constraint, and the reason for calling the constraint. The report shall include an explanation of why a constraint was not imposed on any company marketing affiliate(s) if such is the case. Records documenting the company's actions with respect to calling constraints shall be retained for at least three years after the end of the constraint period.

**High Flow Constraint Periods**

1. A high flow constraint period can be declared when: (a) the company determines that distribution capacity limitations will affect the ability to serve customers in an area for a period or (b) the company determines for economic and/or operational reasons that the expected demand may exceed the expected supply for a period, or (c) the company believes that to meet the expected supply shortfall it will incur overrun, scheduling, or penalty charges and/or use gas supplies that will hinder its ability to meet estimated demand obligations that are forecasted for the company's future obligation to serve the sales customers.
2. When the company determines that a high flow constraint condition exists, the company can declare a High Flow Constraint Period on all applicable parties and they must limit their usage of gas to the daily gas supplies to which they have rights. An EUT's, marketer's and/or agent's total daily supply will be the sum of the transportation service provider (TSP) supply nomination (adjusted for non-LDC balancing service) for the day plus any allowed Best Efforts Service nominations plus the LDC reserved gas supply volume.
3. The EUT, marketer, and/or its agent shall limit its daily usage of gas to its total daily gas supply until notified by the company that the High Flow Constraint Period has ended.
4. Any EUT, marketer, and/or its agent using more than its daily supply of gas on any day or portion thereof during a High Flow Constraint Period shall be deemed to have unauthorized gas. The unauthorized gas shall be determined by using the company remote meter reading equipment or through daily and/or hourly meter readings obtained by the company. Daily overtake quantities as found on Schedule X-150, DABS, shall be subject to unauthorized gas penalties in accordance with Constraint Levels and Penalties as found on this Schedule X-290, Constraint Period(s).

**Low Flow Constraint Periods**

1. A low flow constraint period can be declared when: (a) the company determines for economic or operational reasons that the expected supply of gas delivered to an area may exceed expected demand for a period; or (b) the company has managed its supply in a reasonable manner compared with supply contract restrictions; or (c) the capacity to manage excess city gate supply is inadequate to manage the expected supply excess delivered by the company and/or EUTs or the company's gas supply plan will not accommodate unplanned storage injections.

**Constraint Period(s)** (continued)**Low Flow Constraint Periods** (continued)

2. When the company determines that a low flow constraint condition exists, the company can declare a Low Flow Constraint Period on all applicable parties and they must use all delivered gas that they have rights to.
3. The company shall require the EUT, marketer, and/or its agent, in the operating system on which the constraint is called to use all gas delivered by the company's system each day or portion thereof until they are notified by the company that the Low Flow Constraint Period has ended.
4. Any EUT, marketer, and/or its agent using less than the amount of gas delivered to the company's system during a Low Flow Constraint Period shall have unauthorized gas. The unauthorized gas shall be determined using company remote meter reading equipment or through daily and/or hourly meter readings obtained by the company. Daily undertake quantities as found on Schedule X-150, DABS, shall be subject to unauthorized gas penalties in accordance with Constraint Levels and Penalties as found on this Schedule X-290, Constraint Period(s).

**Constraint Levels and Penalties**

1. See the Table Below:

Penalty Level	Level I	Level II	Level III	Level IV
Penalty Application Quantity	Super Pooling Quantity for area(s) or customer(s) constrained.	Super Pooling Quantity for area(s) or customer(s) constrained.	By Pool within Operating system for area(s) or customer(s) constrained	By Pool within Operating system for area(s) or customer(s) constrained
Penalty Amount	See Penalties on Schedule X-215.			

2. All constraint levels may be called on a EUT, marketer pool, geographic area, pipeline gate(s), operating system(s), or total distribution system wide basis.
3. When the EUT, marketer and/or agent's pool is over a larger geographic area than the area covered under a constraint, then any penalty quantity shall be determined at the penalty application area that corresponds to the level of penalty called. For example, a level III constraint called on a marketer operating in multiple operating systems would have calculations performed and penalties applied individually in each operating system in which that marketer has unauthorized gas.
4. When the EUT, marketer and/or agent's pool is over a smaller geographic area than the area covered under a constraint, then any penalty quantity shall be determined based solely on the quantity(s) of those for whom the constraint was called. For example, a level II constraint called on more than one operating system would have the penalty quantity calculations performed and penalties applied only in the operating systems in which the constraint was called.

**Constraint Period(s)** (continued)**Operational Flow Condition**

The company shall declare an operational flow condition (OFC) if ANR pipeline calls an operational flow order. During an OFC the EUT, marketer, agent and/or demand aggregator in the affected operating systems shall, after a notice of no less than two hours, be required to balance their hourly therm usage to the greater of 1/24<sup>th</sup> their customer demand nomination or the actual hourly rights provided to the EUT by their applicable pipeline contract. The company will pass through to the EUT, marketer and/or demand aggregator their prorata share of ANR OFO Penalties assessed to it. Those EUT's violating their hourly rights during an OFC shall be subject to the Operation Flow Condition penalty as found on Schedule X-215.

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### Constraint Declaration Example Scenarios – High Flow

#### High Flow Constraint – Level I

- The local distribution company (LDC) determines that expected demand may exceed the supplies.
- Pipeline operating problems that somewhat reduce nomination overrun capability of the LDC.
- Minor reduction in LDC delivery point capacity(ies).
- Under delivery by transporters that may affect the ability of the LDC to meet future system sales requirements.
- Repeated under delivery by transporters.

#### High Flow Constraint – Level II

- The local distribution company (LDC) determines that expected demand may exceed the supplies.
- Pipeline operating problems that somewhat reduce nomination overrun capability of the LDC.
- More significant reduction in LDC delivery point capacity(ies) than was at level I.
- Under delivery by transporters that may affect the ability of the LDC to meet future system sales requirements and could force the LDC to incur pipeline penalties when no notice services are extended.
- Repeated under delivery of gas by transporters, and a Level I constraint has not ended such activity.

#### High Flow Constraint – Level III

- Pipeline operating problems that significantly reduce or prohibit nomination overrun capabilities of the LDC.
- Major reduction in LDC delivery point capacity(ies).
- Under delivery by transporters that may affect the ability of the LDC to meet future firm system sales requirements and forcing the LDC to incur pipeline penalties when no notice services are extended.
- Repeated under delivery of gas by transporters, and a Level II constraint has not ended such activity.

#### High Flow Constraint – Level IV

- Pipeline operating problems that significantly reduce or prohibit nomination overrun capabilities of the LDC.
- Major reduction in LDC delivery point capacity(ies).
- Under delivery by transporters that may affect the ability of the LDC to meet future firm system sales requirements and a Level III constraint is lower than the market prices for gas.
- Repeated under delivery of gas by transporters, and a Level III constraint has not ended such activity.

**Constraint Declaration Example Scenarios – Low Flow**

## Low Flow Constraint – Level I

- The LDC determines that expected supply of gas may exceed expected demand.
- Pipeline operating problems that somewhat reduce over delivery capabilities by the market.
- Over delivery by transporters that may affect the safe operation of the LDC distribution system.
- Repeated over delivery of gas by transporters.

## Low Flow Constraint – Level II

- The LDC determines that expected supply of gas may exceed expected demand.
- Pipeline operating problems somewhat reduce over delivery capabilities by the market.
- Repeated over delivery by transporters may affect the safe operation of the LDC distribution system and could force the LDC to incur pipeline penalties when no notice services are extended, and a Level I constraint has not ended such activity.

## Low Flow Constraint – Level III

- Pipeline operating problems that significantly reduce or prohibit nomination over delivery by the market.
- Repeated over delivery by transporters, forcing the LDC to incur pipeline penalties when no notice services are extended, and a Level II constraint has not ended such activity.

## Low Flow Constraint – Level IV

- Pipeline operating problems that significantly reduce or prohibit nomination over delivery by the market.
- Repeated over delivery by transporters, forcing the LDC to incur pipeline penalties when no notice services are extended, and a Level III constraint has not ended such activity.