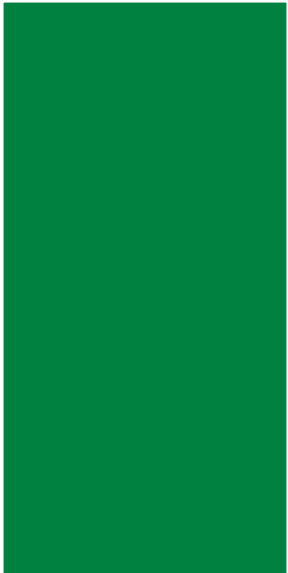




Turn it up

**A Nominations &
Capacity Release
Resource Guide
for TransCanada's
GTN System**



Pacific Express User Reference Guide

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Introduction

Gas Transmission Northwest Corporation, also known as TransCanada's GTN System (GTN) is a natural gas pipeline extending from the British Columbia–Idaho border to the Oregon-California border. The system traverses Idaho, Washington, and Oregon.

The 612-mile, dual-pipeline system has the ability to transport about 2.9 billion cubic feet of natural gas a day. Once gas enters GTN's system, the pipeline's interconnections offer a range of possibilities as to where it can be delivered.

Services Offered to Shippers

- Firm Transportation
- Interruptible Transportation
- Parking - *Customers can "store" gas for a short period of time on the pipeline*
- Lending - *Customers can "borrow" gas for a short time and return it later*
- Capacity Release - *Customers can market their firm capacity to other Shippers*
- Market Centers - *Customers can move gas into and out of their own "paper pools" to increase flexibility in the purchase and sale of gas*

Scheduling Services for TransCanada's British Columbia System (BC)

GTN also provides scheduling services for BC. These services are provided and administered based upon BC's tariff and operating procedures. Questions concerning BC's tariff, services, or operating procedures should be addressed to:

Sherry Hill (403) 920-2619

The nominating process for both GTN and BC is accomplished using Pacific Express, GTN's interactive electronic bulletin board. The Pacific Express Nominations Reference Guide was created to familiarize Shippers with GTN's online nomination process. Shippers can enter daily and intra-day nominations, view confirmations and download a variety of reports through Pacific Express.

GTN Contacts

For scheduling information, contact a Gas Transportation Coordinator by calling 503.833.4300, Option 1

| | | |
|------------------|--|------------|
| Ruth Clark | ruth_clark@transcanada.com | GTNRuth |
| Dana Coates | dana_coates@transcanada.com | GTNDana |
| Brian Hart | brian_hart@transcanada.com | GTNBrianh |
| Marvin Hoffman | marvin_hoffman@transcanada.com | GTNMarvin |
| Melanie Holbrook | melanie_holbrook@transcanada.com | GTNMelanie |
| Emily Roberts | emily_roberts@transcanada.com | GTNEmily |

Gas Transportation fax: 503.833.4396

For contract/nomination/capacity release/WEB information, contact a Contract Coordinator by calling 503.833.4300, Option 2

| | | |
|---|--|------------------|
| Shannon Seagondollar | shannon_seagondollar@transcanada.com | GTNshannon |
| Brian Tennison Supervisor, Customer Information Services 503.833.4306 | brian_tennison@transcanada.com | GTNBraintennison |

Services & Contracts fax: 503.833.4330

Contact a Credit Administrator by calling 503.833.4300, Option 2.

| | |
|---|--|
| Ken Nichols Credit Manager 503.833.4123 503.833.4198 (fax) | ken_nichols@transcanada.com |
|---|--|

For questions regarding billing and invoicing contact:

| | |
|--|--|
| Jeanette Hubbard Business Analyst 503.833.4355 503.833.4918 (fax) | jeanette_hubbard@transcanada.com |
|--|--|

To access the GTN website:

www.gastransmissionnw.com

Nomination & Confirmation Timelines

**GTN Nomination & Confirmation Timelines
Pacific Clock Time¹/(Central Clock Time)**

NAESB Timelines as of November 2, 1998²

| | Day Prior to Gas Flow | | On Gas Day | |
|------------------------------------|--|--|--|--|
| | <i>Timely Nomination</i> | <i>Evening Nomination³</i> | <i>Intra-day 1³</i> | <i>Intra-day 2</i> |
| Nomination Deadline | 9:30 a.m. (11:30 a.m.) | 4:00 p.m. (6:00 p.m.) | 8:00 a.m. (10:00 a.m.) | 3:00 p.m. (5:00 p.m.) |
| Shipper Confirmation | 2:30 p.m. (4:30 p.m.) | 8:00 p.m. (10:00 p.m.) | 12:00 p.m. (2:00 p.m.) | 7:00 p.m. (9:00 p.m.) |
| Effective Gas Flow Time | 7 a.m. or 07:00 hours (9 a.m. or 09:00 hours) | 7 a.m. or 07:00 hours (9 a.m. or 09:00 hours) | 3 p.m. or 15:00 hours (5 p.m. or 17:00 hours) | 7 p.m. or 19:00 hours (9 p.m. or 21:00 hours) |
| I.T. Bumping Effective Time | N/A | 7 a.m. or 07:00 hours (9 a.m. or 09:00 hours) | 3 p.m. or 15:00 hours (5 p.m. or 17:00 hours) | N/A |

Important notes:

1. Always refer to Pacific Clock Times when using GTN's Pacific Express.
2. Timelines are NAESB Standard timelines per NAESB Std. 1.3.2
3. Bumping of previously scheduled interruptible transportation can occur on these scheduling cycles.

GTN Timelines as of August 1, 2007²

| | Day Prior to Gas Flow | | On Gas Day | |
|------------------------------------|--|--|--|--|
| | <i>Timely Nomination</i> | <i>Evening Nomination³</i> | <i>Intra-day 1³</i> | <i>Intra-day 2</i> |
| Nomination Deadline | 9:45 a.m. (11:45 a.m.) | 4:15 p.m. (6:15 p.m.) | 8:15 a.m. (10:15 a.m.) | 3:15 p.m. (5:15 p.m.) |
| Shipper Confirmation | 2:30 p.m. (4:30 p.m.) | 8:00 p.m. (10:00 p.m.) | 12:00 p.m. (2:00 p.m.) | 7:00 p.m. (9:00 p.m.) |
| Effective Gas Flow Time | 7 a.m. or 07:00 hours (9 a.m. or 09:00 hours) | 7 a.m. or 07:00 hours (9 a.m. or 09:00 hours) | 3 p.m. or 15:00 hours (5 p.m. or 17:00 hours) | 7 p.m. or 19:00 hours (9 p.m. or 21:00 hours) |
| I.T. Bumping Effective Time | N/A | 7 a.m. or 07:00 hours (9 a.m. or 09:00 hours) | 3 p.m. or 15:00 hours (5 p.m. or 17:00 hours) | N/A |

Important notes:

1. Always refer to Pacific Clock Times when using GTN's Pacific Express.
2. Timelines are GTN timelines.
3. Bumping of previously scheduled interruptible transportation can occur on these scheduling cycles.

Nomination & Confirmation Timelines

(Same timelines as table on previous page...just more detail)

Timely Nominations

Start of Gas Flow: Next Day at 7:00 a.m. Pacific Clock Time (9:00 a.m.)

All times are Pacific Clock Time. Times in parentheses are Central Clock times.

- 9:45 a.m.** **Nomination Deadline—Pacific Express**
(11:45 a.m.) This is the deadline for shippers to submit nominations via Pacific Express.
- 10:00 a.m.** **Quick Response Deadline**
(Noon) Nominations will receive a quick response message at the time nominations are saved confirming receipt of a valid nomination.
- 2:30 p.m.** **Shipper Confirmation Deadline**
(4:30 p.m.) GTN will send confirmation of scheduled quantities via Pacific Express to all shippers with valid on-time nominations for the next day's 7:00 a.m. plan.

Evening Nominations

Start of Gas Flow: Next Day at 7:00 a.m. Pacific Clock Time (9:00 a.m.)

- 4:15 p.m.** **Nomination Deadline – Pacific Express**
(6:15 p.m.) This is the deadline for shippers to submit nominations via Pacific Express.
- 4:30 p.m.** **Quick Response**
(6:30 p.m.) Nominations will receive a quick response message at the time nominations are submitted confirming receipt of a valid nomination.
- 8:00 p.m.** **Shipper Confirmation Deadline**
(10:00 p.m.) GTN will send confirmation of scheduled quantities via Pacific Express to all shippers with valid on-time nominations for the next day's 7:00 a.m. plan.

Nomination & Confirmation Timelines

Intra-Day 1 Nominations (ID-1)

Start of Gas Flow: Same Day at 3:00 p.m. Pacific Clock Time (5:00 p.m.)

8:15 a.m. Nomination Deadline - Pacific Express

(10:15 a.m.) This is the deadline for shippers to submit nominations via Pacific Express.

8:30 a.m. Quick Response Deadline

(10:30 a.m.) Nominations will receive a quick response message at the time nominations are submitted confirming receipt of a valid nomination.

Noon Shipper Confirmation Deadline

(2:00 p.m.) GTN will send confirmation of scheduled quantities via Pacific Express to all shippers with valid on-time nominations for the same day's 3 p.m. plan.

This confirmation will also provide notice to bumped parties.

Intra-Day 2 Nominations (ID-2)

Start of Gas Flow: Same Day at 7:00 p.m. Pacific Clock Time (9 p.m.)

3:15 p.m. Nomination Deadline - Pacific Express

(5:15 p.m.) This is the deadline for shippers to submit nominations via Pacific Express.

3:30 p.m. Quick Response Deadline

(5:30 p.m.) Nominations will receive a quick response message at the time nominations are submitted confirming receipt of a valid nomination.

7:00 p.m. Shipper Confirmations

(9:00 p.m.) GTN will send confirmation of scheduled quantities via Pacific Express to all shippers with valid on-time nominations for the same day's 7 p.m. plan.

Bumping is not permitted during the Intra-Day 2 Nomination Cycle.

Nomination Scenarios

Scenarios for Timely Nominations

Assumptions:

- Nominations are created and submitted via Pacific Express.
- Nominations are created and submitted on November 14, 2007.
- Times are Pacific Clock Time.

| <u>Submit Time</u> | <u>Begin Date</u> | <u>Begin Time</u> | <u>End Date</u> | <u>End Time</u> | <u>Action Taken</u> |
|--------------------|-------------------|-------------------|-----------------|-----------------|---------------------|
| 9:12 a.m. | 11/15/07 | 7:00 a.m. | 12/01/07 | 6:59 a.m. | Valid Timely nom |
| 9:45 a.m. | 11/15/07 | 7:00 a.m. | 12/01/07 | 6:59 a.m. | Valid Timely nom |
| 9:46 a.m. | 11/15/07 | 7:00 a.m. | 12/01/07 | 6:59 a.m. | Invalid nom* |

**(Will be used as a valid Evening nom)*

Scenarios for Evening Nominations

Assumptions:

- Nominations are created and submitted via Pacific Express.
- Nominations are created and submitted on November 14, 2007.
- Times are Pacific Clock Time.

| <u>Submit Time</u> | <u>Begin Date</u> | <u>Begin Time</u> | <u>End Date</u> | <u>End Time</u> | <u>Action Taken</u> |
|--------------------|-------------------|-------------------|-----------------|-----------------|-----------------------|
| 3:17 p.m. | 11/15/07 | 7:00 a.m. | 12/01/07 | 6:59 a.m. | Valid Evening nom |
| 4:15 p.m. | 11/15/07 | 7:00 a.m. | 12/01/07 | 6:59 a.m. | Valid Evening nom |
| 4:20 p.m. | 11/15/07 | 7:00 a.m. | 12/01/07 | 6:59 a.m. | Invalid Evening nom** |

*** (Can be submitted as an Intra-Day 1 nom for 11/15/07)*

Nominations

Scenarios for Intra-Day 1 Nominations

Assumptions:

- Nominations are created and submitted via Pacific Express.
- Nominations are created and submitted on November 15, 2007
- Times are Pacific Clock Time.

| <u>Submit Time</u> | <u>Begin Date</u> | <u>Begin Time</u> | <u>End Date</u> | <u>End Time</u> | <u>Action Taken</u> |
|--------------------|-------------------|-------------------|-----------------|-----------------|-------------------------------|
| 7:58 a.m. | 11/15/07 | 3:00 p.m. | 11/16/07 | 6:59 a.m. | Valid ID-1 nom |
| 8:15 a.m. | 11/15/07 | 3:00 p.m. | 11/16/07 | 6:59 a.m. | Valid ID-1 nom |
| 8:18 a.m. | 11/15/07 | 3:00 p.m. | 11/16/07 | 6:59 a.m. | Invalid ID-1 nom [^] |

[^](Can be submitted as an Intra-Day 2 nom)

Scenarios for Intra-Day 2 Nominations

Assumptions:

- Nominations are created and submitted via Pacific Express.
- Nominations are created and submitted on November 15, 2007.
- Times are Pacific Clock Time.

| <u>Submit Time</u> | <u>Begin Date</u> | <u>Begin Time</u> | <u>End Date</u> | <u>End Time</u> | <u>Action Taken</u> |
|--------------------|-------------------|-------------------|-----------------|-----------------|-------------------------------|
| 2:54 p.m. | 11/15/07 | 7:00 p.m. | 11/16/07 | 6:59 a.m. | Valid ID-2 nom |
| 3:15 p.m. | 11/15/07 | 7:00 p.m. | 11/16/07 | 6:59 a.m. | Valid ID-2 nom |
| 3:16 p.m. | 11/15/07 | 7:00 p.m. | 11/16/07 | 6:59 a.m. | Invalid ID-2 nom [~] |

[~](Will not be used in future scheduling cycles)

Navigating Nominations

Things to remember:

- Noms do not build upon one another.
- Submitting a new nom will override your existing nom. The most recently submitted nom will be used.
- If you wish to *correct, edit, or modify* an existing nom without re-keying all the information again, refer to section entitled “copying nominations.”
- Submitted noms cannot be deleted.
- A three-year history of nominations for each contract is maintained by Pacific Express.

Creating a New Nomination

Select **Nominations** from the Menu on the left-hand side of the screen.



From the **Nominations** Menu, select **New**. You will be prompted to log in with your Pacific Express User ID & Password. Following your log in, the **Search Contracts** screen will appear.

Click the number of the contract you would like to submit a nomination on.

The **New Nominations** screen will open.

Nominations

Nomination Header Detail

Nomination ID

Business Entity Data Group

TSP Name Gas Transmission Northwest Corporation

Service Requestor Any Shipper Limited

Submitted By [Contract, Any Shipper](#)

Submitted On

Contracts Data Group

Service Requestor Contract [10305](#)

Contract Type Firm

Model Type Non-Pathed

Dates Data Group

***Beginning Date** 11/1/2007  ***Beginning Time** 7:00  ***Ending Date** 11/30/2007  **Ending Time** 6:59

1. Pacific Express displays the **Business Entity Data Group** and **Contracts Data Group** information and populates the current dates in the **Dates Data Group**.
2. **Beginning Date:**
 - If you wish to enter another date for gas flow, use the calendar to select the date.
 - The date cannot be in the past.
3. **Time:** Use the drop-down menu to select the effective time of the nomination.
 - Timely Nomination 07:00 PT
 - Evening Nomination 07:00 PT
 - Intra-Day 1 Nomination 15:00 PT
 - Intra-Day 2 Nomination 19:00 PT
4. **Ending Date:** Enter the end date of the nomination (the last day you want gas to flow according to this nomination). This may be any date up to the termination date of the contract for Timely and Evening nominations. Intra-day nominations must be end-dated the following day.

Quick Tip:

Above the nomination entry screen, Pacific Express will notify you of data entry errors (such as invalid begin times & dates)

Shipper Contact Information:

The accuracy of contact information is important. GTN may need to contact the person listed if there is a problem associated with the nomination.

Nominations

Receipt & Delivery Data Group

Receipt/Delivery Data Group

| 0 *Group Priority | | | | | | | |
|-----------------------------|-----------|-----------|-------|-----|---------|-----------|------------|
| Receipt | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Up Rank | Up Pkg ID | Package ID |
| --- Select One --- | | | 0 | CB | 0 | | |
| --- Select One --- | | | 0 | CB | 0 | | |
| --- Select One --- | | | 0 | CB | 0 | | |
| Sub Total | | | | | | | 0 |
| Delivery | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Dn Rank | Dn Pkg ID | Package ID |
| --- Select One --- | | | 0 | CB | 0 | | |
| --- Select One --- | | | 0 | CB | 0 | | |
| --- Select One --- | | | 0 | CB | 0 | | |
| Sub Total | | | | | | | 0 |
| Receipt Grand Total | | | | | | | 0 |
| Delivery Grand Total | | | | | | | 0 |

Group Priority:

- Group priority is not automatically filled in.
- Groups are prioritized and scheduled by the group number assigned. Group 1 has the highest priority.
- If the nomination has more than one group, you may add additional groups by clicking the “+” key located to the right of each group in your nomination. Groups may be added, deleted and the group priority number manually changed.

Receipt/Upstream Detail:

Point/Pipe:

- A drop-down menu is utilized with a list of receipt points available to the Shipper based on the contract selected.
- Select the receipt point where the gas will be received.
- Press TAB after you have highlighted your selection, or click in the contract data area.
- Refer to the Receipt and Delivery Table on Page 23 of this reference guide for a complete listing of GTN Receipt/Delivery points.

Nominations

Receipt/Upstream Detail: *(cont.)*

Contract:

Type in the contract number from which you are receiving gas. Pacific Express validates GTN and BC contracts.

| | |
|------|--|
| GTN: | Contract numbers are 5 digits. |
| BC: | Contracts are alpha mnemonics consisting of 5 letters or less. Mnemonics assigned by BC typically correspond to the assigned shipper's name. |

Quantity:

Type in the quantity you are receiving from the upstream contract into the GTN system in dekatherms per day and press TAB.

Rank:

- Type in the priority number you are assigning the nominated quantity. The highest priority rank is 1.
- Each line must be assigned a unique priority number.
- The priority numbers do not need to be in order from top to bottom.
- In the event of a restriction, the priority code determines sequencing of gas delivery.

Multiple Receipts:

If you have more than three receipts, click the “+” key located to the right of each receipt group in your nomination.

Delivery/Downstream Detail:

Point/Pipe:

As with receipt points, a drop-down menu with a list of delivery points is utilized.

- Scroll through the list and highlight the delivery point where the gas will be delivered.
- Press TAB after you have highlighted your selection, or click in the contract data area.

Nominations

Delivery/Downstream Detail: (cont.)

Contract:

Type the contract/contract number to which you wish to deliver gas.

Quantity:

Type in the quantity you wish to deliver to the downstream contract in dekatherms per day.

Rank:

- Type in the number of the priority you are assigning the nominated quantity. The highest priority is 1.
- Each line must be assigned a unique priority number.
- In the event of a restriction, the priority code determines sequencing of gas delivery.
- The priority numbers do not need to be in order from top to bottom.

Multiple Deliveries:

If you have more than three deliveries, click the “+” key located to the right of each delivery group in your nomination.

Submitting Options:

At the top or bottom of the nomination screen, select one of the following options:

- **Submit** - Submits changes to the nomination screen and saves data. Successfully validated nominations will receive an on-screen confirmation notice and nomination ID number.
- **Save Template** – Saves the current contract nomination data as a defined template for future changes.

Nomination Options:

Alternate View

Save Template

Submit

Things to Remember

- Nominations must span a minimum of two calendar days to coincide with the gas day (07:00 Day 1 to 06:59 Day 2).

Example: For gas day November 1, 2008, the Begin Date is 11/01/08 and the End Date is 11/02/08.

- A nomination for a month will begin on the first day of the month and end on the first day of the following month.

Example: A nomination for the month of November will have a Begin Date of 11/01/08 and an End Date of 12/01/08.

- Valid nomination Begin Times (time at which gas flow begins) are:

07:00 for Timely and Evening nominations

15:00 (3:00 p.m. PT) for Intra-Day 1 nominations

19:00 (7:00 p.m. PT) for Intra-Day 2 nominations.

(All times are Pacific Clock Time)

- A nomination End Time is not required. All nominations end at 06:59 on the End Date specified in the nomination.
- Intra-day 1 and 2 nominations are only effective for the current gas day (i.e. intra-day noms cannot span multiple gas days).
- Intra-day nominations *do not* rollover and become start of day nominations for the next gas day.
- Intra-day 1 nominations will be used for the Intra-day 2 cycle if not superceded by a new nomination.
- Nominations submitted for the evening nomination cycle will be used for the next timely nomination cycle if the date range allows and if not superceded by a new nomination.

Nominations

Viewing and Copying Nominations

1. From the **Customer Activities Main Menu**, select **Nominations**, then **View/Copy**. The **Search Nominations** screen will appear.
2. From the **Search Nominations** screen, use the filters to submit a date range for desired nominations. Pacific Express defaults to an automatic return of the last five nominations submitted.
3. After selecting the contract, the list of previous nominations will appear. The nomination detail visible on this screen includes the **Nomination ID, Contract Number, Contract Type, Shipper Name, Begin Date, End Date, and Submit Date/time**.

View Nomination

Select the nomination you wish to view and press the **Nomination ID**. This detail will open in a **New Nominations** window.

Copy Nomination

Select the nomination you wish to copy.

The **New Nominations** screen will be an exact replica of the nomination selected. You may then use this screen to:

- Correct a nomination prior to the nomination deadline. Deleting the nomination is not necessary since GTN uses the most recently submitted nomination for scheduling gas.
- Enter a new nomination for a different day or period of time.
- Enter an intra-day nomination. The time required for an Intra-Day 1 nomination is 15:00 and 19:00 for an Intra-Day 2 nomination.

Things to remember

- You will not be able to view any contracts that have not been previously nominated.
- For scheduling purposes, there is only one active nomination per contract.
- The most recent nomination submitted will appear at the top of the screen.

Nomination Templates

Templates

A nomination Template may be created by either creating a new nomination or copying a submitted nomination.

Data may be entered on the **New Nominations** screen. To save nominations as a template, select **Save Template**, and the **Name Template** box will appear. Enter the template name and select **Submit Template**. Pacific Express will return a successful save message, but the nomination has not been submitted.

Using Nomination Template

From the **Customer Activities Main Menu**, select **Nominations**, then **Templates**. The **Nominations Templates** screen will appear. Select the template that you wish to view/submit nominations for.



Nomination Types

Intra-Day Nominations:

When entering an intra-day nomination, please note the following:

1. The **effective time** is the **current day** at:
3:00 p.m. PT (15:00) for an Intra-Day 1 nomination
and
7:00 p.m. PT (19:00) for an Intra-Day 2 nomination.
2. The intra-day quantity is a daily quantity – the desired quantity for the full 24-hour gas day.
3. Intra-day 1 and Intra-day 2 nominations are effective for the day of gas flow only.

Set up an intra-day nomination as follows:

Replace timely (07:00) nominated quantities with scheduled quantities. Add intra-day quantity at the bottom of the nomination.

Sample 7:00 a.m. Nomination:

| | <i><u>Nominated Quantity</u></i> | <i><u>Scheduled Quantity</u></i> | <i><u>Priority</u></i> |
|-----------------|--------------------------------------|--------------------------------------|------------------------|
| Market A | 4,000 | 4,000 | 1 |
| Market B | 2,000 | 0 | 2 |
| Market C | 6,000 | 6,000 | 3 |

Sample 3:00 p.m./7:00 p.m. Intra-Day Nomination:

Nominated

Transportation Nominations:

Pictured on the following page is an example of a nomination transporting gas on a firm transportation contract that is receiving gas at Kingsgate from the Shipper's market center and delivering it to the same market center at Malin.

Nominations





Nomination Types (cont.)

Transportation Nomination

Dates Data Group

*Beginning Date 11/1/2007  *Beginning Time 7:00  *Ending Date 12/1/2007  Ending Time 6:59

Receipt/Delivery Data Group

| 1 *Group Priority | | | | | | | |
|--|-----------|------------------|-------|---|---------|-----------|------------|
| Receipt | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Up Rank | Up Pkg ID | Package ID |
| KING-GTN  | 19352 | 437 | 1 | CB  | 0 | | |
| | | Sub Total | 437 | | | | |
| Delivery | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Dn Rank | Dn Pkg ID | Package ID |
| MALI-GTN  | 19352 | 430 | 1 | CB  | 0 | | |
| | | Sub Total | 430 | | | | |
| Receipt Grand Total | | 437 | | | | | |
| Delivery Grand Total | | 430 | | | | | |

Note:

Receipt and delivery points selected must be specified in the contract in order to transport gas along that path.

Market Center Nominations:

- No fuel is required for a Market Center nomination because no transportation occurs.
- When nominating gas into or out of a market center on GTN, please be sure that quantities received from one contract **ARE NOT** scheduled to be delivered to the **SAME** contract on the delivery side of the nomination.

This type of transaction has the potential to create a loop within GTN's scheduling system. The nomination makes it appear that the gas may be supplied from and delivered to the identical contract (i.e. the supply and market appear to be the same).

- **Group 2** of the following nomination illustrates how a withdrawal from a parking contract (#08084) can be used as a backstop for gas that may not flow due to market or supply constraints. A matching nomination for the parking contract will also need to be submitted.

Nominations

Nomination Types (cont.)

Group 1 – Market Center Nomination:

Receipt/Delivery Data Group

| 1 *Group Priority | | | | | | | |
|--------------------|-----------|-----------|-------|-----|---------|-----------|------------|
| Receipt | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Up Rank | Up Pkg ID | Package ID |
| KING-ANG | GAS | 10303 | 1 | CB | 0 | | |
| KING-ANG | ANY | 5151 | 2 | CB | 0 | | |
| --- Select One --- | | | 0 | CB | 0 | | |
| Sub Total | | 15454 | | | | | |
| Delivery | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Dn Rank | Dn Pkg ID | Package ID |
| KING-GTN | 08040 | 10303 | 1 | CB | 0 | | |
| KING-GTN | 08006 | 5151 | 2 | CB | 0 | | |
| --- Select One --- | | | 0 | CB | 0 | | |
| Sub Total | | 15454 | | | | | |

Group 2 – Market Center Nomination:

Receipt/Delivery Data Group

| 1 *Group Priority | | | | | | | |
|--------------------|-----------|-----------|-------|-----|---------|-----------|------------|
| Receipt | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Up Rank | Up Pkg ID | Package ID |
| MALI-GTN | 08040 | 10000 | 1 | CB | 0 | | |
| MALI-GTN | 08084 | 5000 | 2 | CB | 0 | | |
| --- Select One --- | | | 0 | CB | 0 | | |
| Sub Total | | 15000 | | | | | |
| Delivery | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Dn Rank | Dn Pkg ID | Package ID |
| MALI-PGE | 123456 | 10000 | 1 | CB | 0 | | |
| MALI-PGE | 678900 | 5000 | 2 | CB | 0 | | |
| --- Select One --- | | | 0 | CB | 0 | | |
| Sub Total | | 15000 | | | | | |

Nominations

Nomination Types (cont.)

Parking Nominations:

Pictured below is an example of a parking nomination taking gas from the Shipper's market center and parking it in inventory.

- Parked gas must be withdrawn at the same receipt/delivery point at which it was originally parked.
- There is no fuel required for a parking transaction.
- Both the receipt and delivery quantities balance.
- The Parking Contract number is used to park or withdraw gas from parking. For example, in the nomination below, the gas is being delivered to the Parking Contract #04600.

Parking Nomination to "Park" Gas on GTN:

Receipt/Delivery Data Group

| 1 *Group Priority | | | | | | | |
|-------------------|-----------|-----------|-------|-----|---------|-----------|------------|
| Receipt | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Up Rank | Up Pkg ID | Package ID |
| KING-GTN | 99999 | 500 | 1 | CB | 0 | | |
| Sub Total | | 500 | | | | | |
| Delivery | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Dn Rank | Dn Pkg ID | Package ID |
| KING-GTN | 04600 | 500 | 1 | CB | 0 | | |
| Sub Total | | 500 | | | | | |

Parking Nomination to "Withdraw" Gas from GTN

The Shipper is withdrawing gas out of parking inventory and returning it to the Shipper's market center contract. The receipt and delivery quantities balance.

Receipt/Delivery Data Group

| 1 *Group Priority | | | | | | | |
|-------------------|-----------|-----------|-------|-----|---------|-----------|------------|
| Receipt | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Up Rank | Up Pkg ID | Package ID |
| KING-GTN | 04600 | 500 | 1 | CB | 0 | | |
| Sub Total | | 500 | | | | | |
| Delivery | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Dn Rank | Dn Pkg ID | Package ID |
| KING-GTN | 99999 | 500 | 1 | CB | 0 | | |
| Sub Total | | 500 | | | | | |

Nominations

Nomination Types (cont.)

Lending Nominations:

The nominations pictured below illustrate a Shipper “borrowing” gas from GTN inventory at Kingsgate and transferring the quantity to the Shipper’s market center.

- Borrowed gas must be returned at the same receipt/delivery point at which it was originally borrowed.
- There is no fuel required for a lending nomination.
- Both the receipt and delivery side of the nomination balance.
- The Lending Contract number is used to borrow gas or to repay the loan. For example, in the nomination below, the gas is being received from the Lending Contract #08006.

Lending Nomination to “Borrow” Gas from GTN

Receipt/Delivery Data Group

| 1 *Group Priority | | | | | | | | |
|-------------------|-----------|------------------|-------|-----|---------|-----------|------------|--|
| Receipt | | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Up Rank | Up Pkg ID | Package ID | |
| KING-GTN | 08006 | 10080 | 1 | CB | 0 | | | |
| | | Sub Total | 10080 | | | | | |
| Delivery | | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Dn Rank | Dn Pkg ID | Package ID | |
| KING-GTN | 56789 | 10080 | 1 | CB | 0 | | | |
| | | Sub Total | 10080 | | | | | |

Lending Nomination to “Return” Gas to GTN

Receipt/Delivery Data Group

| 1 *Group Priority | | | | | | | | |
|-------------------|-----------|------------------|-------|-----|---------|-----------|------------|--|
| Receipt | | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Up Rank | Up Pkg ID | Package ID | |
| KING-GTN | 56789 | 10080 | 1 | CB | 0 | | | |
| | | Sub Total | 10080 | | | | | |
| Delivery | | | | | | | | |
| *Location | *Contract | *Quantity | *Rank | *TT | Dn Rank | Dn Pkg ID | Package ID | |
| KING-GTN | 08006 | 10080 | 1 | CB | 0 | | | |
| | | Sub Total | 10080 | | | | | |

Overlapping Nomination Periods

GTN supports the Shipper's use of overlapping nominations (*NAESB Standard 1.3.7*). An example of overlapping nominations is as follows:

Nomination #1 Begin date: 11/1/07 @ 07:00
 End date: 12/1/07 @ 06:59

Nomination #2 Begin Date: 11/15/07 @ 07:00
 End Date: 11/20/07 @ 06:59

Nomination #1 will be in effect from 11/1/07 @ 07:00 until 11/15/07 @ 06:59
Nomination #2 will be in effect from 11/15/07 @ 07:00 until 11/20/07 @ 06:59
Nomination #1 will be in effect from 11/20/07 @ 07:00 until 12/1/07 @ 06:59

To determine which nomination to use, GTN will look at the effective date and then look at the date the nomination was created. For scheduling purposes, GTN uses the most recently submitted nomination for a specified period.

GTN Maintenance Schedule

The schedule for planned maintenance work on GTN is posted on Pacific Express. The maintenance schedule lists the location of maintenance work, the milepost, start date, end date and the limitations on capacity at Kingsgate and Station 14 as a result of the maintenance. The maintenance schedule is frequently updated and posted well in advance of the maintenance start date.

- From the **Home Page**, select **Maintenance Menu**, located in the lower right hand corner under **Popular Links**.

or

- From the **Informational Postings Page**, select **Pipelines Operations - Maintenance Schedule**.

Nominations

Fuel Rate

GTN and BC fuel rates are posted on Pacific Express seven days prior to the beginning of the month. To locate the posted fuel rates:

1. From the **Main Menu**, select **Info Postings - Pipeline Operations - Fuel Rates**.
2. From the **Fuel Rates Menu**, you will find a listing of the fuel rate calculated for the most common paths as well as links to a listing of the fuel rates by month from January 2004 to present, the B.C. System Fuel Rates as well as GTN's Incremental Fuel Surcharge.

Calculating GTN's Fuel Rate

The following formula, in accordance with NAESB Standards, will be used to calculate fuel.

$$\text{Delivered Quantity} / (1 - \text{Fuel Rate}) = \text{Receipt Quantity}$$

An example of a receipt-based fuel calculation:

1. Start with your delivered quantity (10,000 Dth).
2. Determine the transportation path (Kingsgate to Malin).
3. Look up the fuel rate for the path on Pacific Express (0.030000).
4. Divide the delivered quantity by one minus the fuel rate (0.970000).
5. The result is your receipt quantity:

$$10,000 \text{ Dth} / (0.970000) = 10,309 \text{ Dth}$$

Things to remember

- Due to GTN's flexible nomination scheme, the fuel calculation is not system generated at the nomination level.
- Fuel is calculated during the scheduling process.

**GTN
Receipt/Delivery
Points**

Mainline Receipt and Delivery Points

| <i>Receipt Points</i> | GTN Point/Pipe | Milepost |
|-------------------------------------|-----------------------|-----------------|
| Kingsgate, BC | KING-GTN | 0.00 |
| Stanfield Exchange, OR | STAN-GTN | 277.37 |
| <i>Major Delivery Points</i> | GTN Point/Pipe | Milepost |
| Spokane, WA (NPC) | SNWP-GTN | 108.29 |
| Spokane, WA (WWP) | SWWP-GTN | 108.29 |
| Stanfield Exchange, OR | STAN-GTN | 277.37 |
| Coyote Springs, OR | COYO-GTN | 304.25 |
| Medford, OR | MEDF-GTN | 599.20 |
| Tuscarora, OR | TUSC-GTN | 609.80 |
| Malin, OR | MALI-GTN | 612.46 |
| <i>Minor Delivery Points</i> | GTN Point/Pipe | Milepost |
| Moyie Springs, ID | MOYS-GTN | 22.00 |
| Bonner's Ferry, ID | BONN-GTN | 27.04 |
| Schweitzer, ID | SCHW-GTN | 55.50 |
| Sandpoint, ID | SAND-GTN | 59.26 |
| Athol, ID | ATHO-GTN | 84.77 |
| Rathdrum, ID | RATH-GTN | 97.64 |
| Rathdrum CT, ID | RGEN-GTN | 97.64 |
| Mica, WA | MICA-GTN | 121.15 |
| Spangle, WA | SPAN-GTN | 134.18 |
| Rosalia, WA | ROSL-GTN | 145.71 |
| St. John, WA | SJON-GTN | 158.89 |
| Palouse, WA | PALOU-GTN | 172.07 |
| Lacrosse, WA | LCRS-GTN | 182.79 |
| Wallula, WA | WALL-GTN | 255.60 |
| Kosmos Farm, OR | KOMO-GTN | 271.66 |
| Stanfield City Tap, OR | STTAP-GTN | 282.76 |
| South Hermiston, OR | SHRM-GTN | 289.83 |
| Boardman, OR | BOAR-GTN | 311.00 |
| Madras, OR | MADR-GTN | 410.16 |
| Prineville, OR | PRVL-GTN | 426.90 |
| Redmond, OR | REDM-GTN | 438.30 |
| North Bend, OR | NBEND-GTN | 450.28 |
| Bend, OR | BEND-GTN | 454.51 |
| South Bend, OR | SBEND-GTN | 457.50 |
| Stearns, OR | STEA-GTN | 469.19 |
| LaPine, OR | LAPI-GTN | 483.90 |
| Gilchrist, OR | GILC-GTN | 500.97 |
| Crescent, OR | CENT-GTN | 504.40 |
| Chemult, OR | CHEM-GTN | 519.44 |
| Diamond Junction, OR | DIAM-GTN | 530.59 |
| Klamath Falls, OR | KLAM-GTN | 599.20 |

Receipt/Delivery Points

Extension Delivery Points

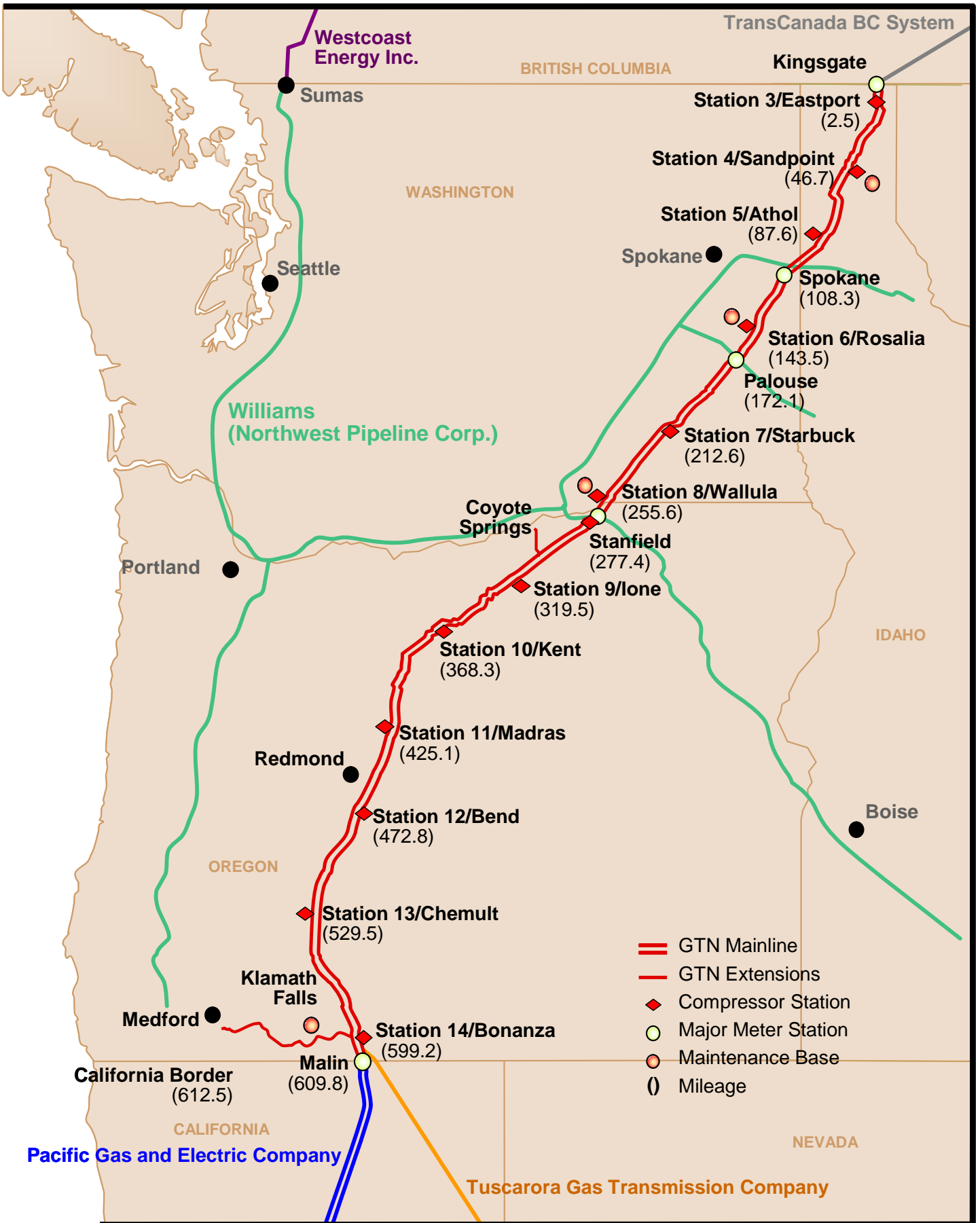
| Extension Delivery Points | GTN Point/Pipe | Milepost |
|---------------------------|----------------|----------|
| Bombing Range Road 6 | CSBRR-GTNW_C | 6.00* |
| Coyote Springs Ext. Meter | CSPGE-GTNW_C | 18.50* |
| Logan International | LOGAN-GTNW_C | 18.50* |
| Klamath Cogeneration | KLCG-GTNW_M | 22.77** |
| W. Klamath Tap | WKLF-GTNW_M | 22.84** |
| Medford Extension Meter | MDFD-GTNW_M | 88.10** |
| Rathdrum/Avista | RAVE-GTNE_M | 99.78** |

*Milepost from the Mainline Point of Coyote Springs.

**Milepost from the Mainline Point of Medford.



GTN System Map





GTN Reports

You can access various reports by selecting options from the Pacific Express **Nominations** or **Flowing Gas** Menus:

Scheduled Quantity

-or-

Plan Quantity

-or-

MTD Shipper Allocation

-or-

MTD Account Status

Shippers that act as agents for other shippers have the option to review and download reports as the agent.

Actuals and Estimates

Reports for the current month are listed as estimates until the data has been reviewed after the closing of the month.

Following the close of the calendar month, throughput for each contract is reviewed, reconciled, and occasionally adjusted as necessary. The reviewed data is finalized and uploaded to Pacific Express as actuals. Actuals are typically available by the 5th business day of the month for the previous calendar month.

Scheduled Quantity

The Scheduled Quantity reports are designed to provide the Shipper with the throughput position for a particular contract during the course of the gas day. The throughput position for the Intraday 1 and Intraday 2 reports are inclusive of prior scheduling cycles for that gas day.

Plan Quantity

The Plan Quantity reports are designed to provide the Shipper's scheduling results for a particular contract for a particular scheduling cycles.

Reports

Scheduled/Plan Quantity Reports (*cont.*)

Viewing and Exporting

To view Scheduled and Plan Quantity Confirmations:

1. Select contract and report dates, press **Search**.
2. Click on the cycle link to view details of the desired cycle.
3. To download, enter a valid file extension and select **Export** to **download all data for a single contract**. You will be prompted to **Open this file from its current location** or **Save this file to a disk**.
4. When the download is complete, simply close this window to exit.

MTD Account Status (Paths)

The MTD Account Status report provides the Shipper with details of what the Shipper transported and the fuel associated with the transportation by path for each day of the month.

MTD Shipper Allocation (Points)

The MTD Shipper Allocations option provides a report to Shippers that details how gas was allocated at each receipt and delivery point for each contract for a complete gas day. This report consolidates an entire gas day's information (timely and intra-day nominations).

Quick Tip:

Reports can be downloaded in XML, CSV, TIFF, PDF, Web Archive or Excel formats.

To view MTD Account Status and Shipper Allocations:

1. Select contract and report dates, press **Search**.
2. To download, enter a valid file extension and select **Export** to **download all data for a single contract**. You will be prompted to **Open this file from its current location** or **Save this file to a disk**.
4. When the download is complete, simply close this window to exit.

Capacity Release

Any shipper that has contracted with the GTN System for Firm Transportation Service under Part 284 of the Federal Energy Regulatory Commission's (FERC) regulations is eligible to participate in the GTN System's Capacity Release Program. Participation in the program allows shippers (Releasing Shippers) to release all or part of their firm transportation capacity to another party (Replacement Shipper) under specified terms and conditions. The GTN System's Capacity Release Program is fully outlined in Section 28 of the GTN System's FERC Gas Tariff, Third Revised Volume 1-A.

In order to acquire capacity from a GTN System firm transportation service customer (or become a Replacement Shipper), interested parties must meet GTN's Credit Requirements (page 44) , and execute a System User Agreement.

Posting Capacity


From the **Home Page**, select **Customer Activities**, followed by **Capacity Release** on the left-hand side of the screen.


From the **Capacity Release Offers Menu**, select **New**. The **Search Contracts** screen will appear.

Creating an Offer:


Choose the contract number from which you choose to release capacity by selecting the contract number.

Search Contracts

Legal Name Any Shipper Limited 

Contract Number Begins with 

Type Firm 

Signed? Signed 

Effective any time between 10/23/2006 and 10/23/2031 

Draft Pending Approved Suspended Cancelled

| <u>Number</u> | <u>Legal Name</u> | <u>Status</u> | <u>Type</u> | <u>Effective Date</u> | <u>Expiry Date</u> |
|-----------------------|-------------------------------------|---------------|---------------|-----------------------|--------------------|
| 10290 | Any Shipper Limited | Approved | Standard Firm | 11/01/2006 | 12/31/2010 |
| 10295 | Any Shipper Limited | Approved | Limited Firm | 10/19/2006 | 10/31/2006 |

Capacity Release

General Offer Information

Pacific Express automatically fills in the Contract Number.

Biddable Type: Select either Biddable or Non-Biddable. The Pacific Express default is Biddable.

Replacement Shipper: If there is a Pre-Arranged Replacement Shipper, use the Replacement Shipper Drop-down to select from a list of active shippers on the GTN System.

Offer Path: If more than one path exists, select the path you choose to release from.

- Pacific Express will display the **Path(s)** associated with the contract.
- Choose the Receipt and Delivery Point combination to be released and select Continue. The default path will be the primary receipt and delivery point.
- To select a different **Receipt Point** (secondary receipt point) than indicated by the Path, use the drop-down menu to select choices.
- To select a different **Delivery Point** (secondary delivery point) than indicated by the Path, use the drop-down menu to select choices.

General Offer, Capacity and Price Information

General Offer Information

| | |
|---------------------|--|
| Contract Number | 10290 |
| Biddable Type | <input checked="" type="radio"/> Biddable <input type="radio"/> Non-Biddable |
| Replacement Shipper | --- Select One --- |
| Offer Path | <input checked="" type="radio"/> Receipt <input type="text" value="Kingsgate"/> <input type="text" value="Malin"/> |

Capacity Information

| | |
|-----------------------------|-------------------------------------|
| Permanent Release | <input type="checkbox"/> |
| Is ReReleasable | <input checked="" type="checkbox"/> |
| *Release Quantity | <input type="text"/> |
| *Minimum Daily Bid Quantity | <input type="text"/> |
| *Partial Day Release | None |

Price Information

| | |
|---------------------|--|
| Maximum Tariff Rate | 7.75092952 |
| Waive Credit Check | <input type="checkbox"/> |
| Price Denomination | <input checked="" type="radio"/> Percentage <input type="radio"/> Fixed |
| Minimum Bid Rate | 50.000000 |

Capacity Release

Capacity & Price Information

Permanent Release: A Releasing Shipper may release all or part of its capacity permanently in accordance with GTN's FERC Tariff. Permanent releases are posted in the same manner as biddable and prearranged offers. *Please refer to Section 28 of GTN's Gas Tariff, Third Revised Volume No. 1-A for the requirements associated with a permanent release.*

- a. If the release is permanent, check the Permanent Release Indicator.
- b. The end date of the contract is automatically set as the end date of the release.
- c. If Permanent Release is selected, Pacific Express will add the following Special Terms and Conditions statement to the release:

“This is a permanent release of firm capacity. The release will be made at the full price for the remainder of the full term of the capacity. The Replacement Shipper shall be financially responsible to GTN for all of GTN's applicable charges for service. There shall be no crediting of revenue to the Releasing Shipper and the Releasing Shipper shall be relieved of liabilities for the capacity awarded. The right of first refusal shall transfer to the Replacement Shipper for the capacity awarded.”

Is Rereleasable: The Replacement Shipper may release this capacity. Pacific Express defaults to 'Yes' by checking the indicator.

Release Quantity: Type in the number of dekatherms/day you wish to release. Pacific Express validates the quantity entered against the available MDQ of the release contract. *An 'Available Capacity' calculator is located at the top and bottom of the offer screen.*

Minimum Daily Bid Quantity: Type in the minimum quantity you are willing to release in dekatherms/day.

Partial Day Release: Used to select a release cycle within the gas day.

Maximum Tariff Rate: Pacific Express will display the **Paths** Maximum Tariff Rate (Reservation Components Only) associated with the contract.

Waive Credit Check: Pacific Express defaults to 'No' by remaining unselected, meaning that GTN's older, more stringent standards will apply. If selected, GTN will waive credit requirements for the specified Replacement Shipper. The Releasing Shipper agrees in such event to remain liable for all charges. *Credit may not be waived for a Permanent Release.*

Price Denomination: You will be asked to select either a **Percentage** (of Maximum Rate) or **Fixed** Dollar-Denominated Value.

Capacity Release

Capacity & Price Information *(cont.)*

Minimum Bid Rate: Type in the minimum bid rate acceptable in the format selected. This field is limited to nine characters including the decimal point.

For more information on GTN's creditworthiness standards, review Paragraph No. 18.3, GTN's FERC Gas Tariff, Third Revised Volume No. 1-A.

Effective & Open Season Period

Offer Effective Date: Using the calendar, select the date you wish the release term to begin.

- The begin date is the first day gas will flow.
- The begin date must be within the terms of the contract selected.

Offer Expiration Date: Using the calendar, select the date you wish to end the release term.

- The end date is the last day that gas will flow.
- The end date should be selected based on the offer type conditions.
- The end date may not begin prior to the begin date or end after contract expiration.

Minimum Release Period (Days): Pacific Express calculates the number of days in the term based on the begin and end dates selected. The Minimum Release may be modified to be less than the full offer term.

Open Season Effective Period: Pacific Express defaults to "Null" and calculates the Open Season Effective Date, Open Season Expiration Date and the Post Date based on the selected criteria and the term of the deal (short term or long term). Select the 'Minimum Open Season' button to calculate the Open Season. *Refer to the Capacity Release Time Lines in this reference guide for specific times.*

- **Effective Date (Bid Period Start Time/Date):** The time/date at which competitive bidding on a biddable offer begins. All times are stated in Pacific Clock Time.
- **Expiration Date (Bid Period End Time/Date):** The time/date at which competitive bidding on a biddable offer ends.
- **Post Date:** The date at which an offer will be posted publicly on Pacific Express.

Capacity Release

Effective & Open Season Period (cont.)



Offer Effective Period

*Effective Date 11/1/2006 

*Expiration Date 11/30/2006 

*Minimum Release Period (Days)

Open Season Effective Period

*Effective Date 10/30/2006  10:00 

*Expiration Date 10/30/2006  11:00

*Post Date 10/30/2006  10:00 

Minimum Open Season

Additional Open Season Terms:

Bid Period: The period of time during which a Replacement Shipper may bid to contract for an offer which has been posted for release by a Releasing Shipper.

Bid Reconciliation Period: The period of time subsequent to the Bid Period during which Bids are evaluated by GTN.

Match Period: The period of time subsequent to the Bid Reconciliation period and before the notification deadline for awarding capacity for a Prearranged Offer subject to bidding, during which the Prearranged Shipper may match any higher bids for the Offer.

Awarding of Offer (Capacity Award Time/Date): The time/date when the capacity is awarded.

Changing Open Season Timelines: Pacific Express allows the Releasing Shipper to change the Open Season timelines as long as the changes do not shorten the standard deadlines as stated in NAESB Standard 5.3.2. Pacific Express will respond with an error message when the date/time selected is not in compliance with the standard deadlines.

Bid Evaluation Information

Bid Rate Basis: The Releasing Shipper may select to release the offer on a reservation basis or a volumetric basis.

Reservation – A charge the Replacement Shipper to pay to reserve capacity whether or not gas flows.

Volumetric – A charge that requires the Replacement Shipper to pay transportation charges only for the quantity flowed. Volumetric releases may also have a take-or-pay provision.

Standard Take-or-Pay Provision - The Replacement Shipper is responsible on a monthly basis to utilize on average at least ___% (Minimum Utilization Percentage) of the quantities successfully bid for. If the Replacement Shipper does not utilize the minimum capacity, the Shipper will make a minimum payment using the following formula:

Minimum Payment = (Quantity Awarded x (# of days of the award minus the # of days recalled) x ___% x Percent of Successful ABR).

Pacific Express defaults to a 'null' Take or Pay Percentage.

Bid Evaluation Information: The Releasing Shipper's choice of method for evaluating and awarding winning bids.

Highest Rate Equivalent – Absolute rate independent of time and quantity.

Present Value – Please review Section 28 of GTN's FERC Gas Tariff, Third Revised Volume No. 1-A for the specific formula.

Net Revenue – Rate times quantity times miles independent of when revenues are received.

Tie-Breaker Method: The Releasing Shipper's choice of method for awarding capacity in case of tied bids.

Pro Rata – A capacity allocation methodology under which all customers would receive the same proportion of natural gas service available as their percentage of total volumes under contract.

Lottery – Tied bidders are selected randomly by a computer-generated program. Awards are assigned in a random method.

Order of Submission – First come/first served method.

Capacity Release

Bid Evaluation Information (cont.)

Bid Evaluation Information

| | | | |
|------------------------------|---------------|----------------------------|--|
| Bid Rate Basis | Reservation | Take or Pay Percent | |
| Bid Evaluation Method | Present Value | | |
| Tie Breaker Method | ProRata | | |

Recall/Reput Information

| | |
|--|--------------------------|
| Recall Terms | No Recall Terms |
| *Maximum Recall Quantity | 0 |
| Is Reputtable | <input type="checkbox"/> |
| Allow Partial Day Recall | <input type="checkbox"/> |
| Notification Must Occur on a Business Day | <input type="checkbox"/> |

Recall Information & Special Terms

Recall/Reput Conditions: This indicator tells bidders whether the offer can be recalled by the Releasing Shipper and/or reput subsequent to the award of capacity to the winning bidder. Capacity can only be recalled by a Releasing Shipper if it was indicated in the original offer that the capacity released is subject to recall.

Recall Terms:

- No Recall Terms
- NAESB Standard
- 24-Hour Notice
- 48-Hour Notice
- User Specified

If a Releasing Shipper wishes to recall capacity to be effective for a gas day, the notice should be provided to GTN and the Replacement Shipper no later than 6 a.m. PCT on nomination day. GTN may take additional time to evaluate releases with recall/reput conditions other than the standard recall/reput condition as stated in this paragraph.

Reput allows a Releasing Shipper that has recalled capacity to return that same capacity to the original Replacement Shipper. Reput method and rights should be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Shipper and the Replacement Shipper.

Special Terms: These terms are specified by the Releasing Shipper. Special Terms may include but are not limited to special rate calculations, reporting requirements for volumetric releases, and recall/reput conditions. GTN requires additional time to evaluate releases with special term and conditions.

Capacity Release

Offer Signature & Submit

Offer Signature: Pacific Express will automatically populate the User creating the offer. To post the capacity, enter your Password and select **Submit**.

View Offers: The offer details are displayed, including offer status and offer number.

Offer Signature

User Name pe_contract
Password

Credit Note

GTN will apply the credit standards set out in its FERC Gas Tariff as an initial screen to ensure the potential Replacement Shipper is qualified to place a bid for this capacity. GTN assumes no further obligation to monitor the credit worthiness of the Replacement Shipper.

*Required Fields

Edit, Withdrawal or Copy of Offers

- Offers may be modified or withdrawn any time prior to the posting deadline.
- Offers may be modified or withdrawn after the posting deadline and up to the close of the bidding period. However, offers may not be modified or withdrawn after the bid period opens if a minimum bid has been made.

Withdrawing, Editing or Copying an Offer:

From the **Capacity Release** Main Menu on the left-hand side of the screen, select **Offers - View/Edit**. The **Search Offers** screen will appear.

The offers eligible for editing or withdrawal will be listed by offer number. Choose the offer that you wish to modify by selecting that offer number.

Contract Number Begins with
 Releasing Shipper Any Shipper Limited
 Replacement Shipper ALL
Offer Effective During 10/26/2006 to 10/26/2016
Editable Only
Recallable
Note: Everyone may view Posted and Awarded Offers.
 Posted Posting Pending Withdrawn Revoked
 Awarded Award Pending Rejected Cancelled

| Offer | Releasing Shipper | Receipt | Delivery | Effective Date | Expiration Date | MDO | Price Denomination | Bidding Deadline | Recall Terms | Bus. Day Recall |
|-------|---------------------|-----------|----------|----------------|-----------------|-----|--------------------|------------------------|-----------------|-----------------|
| 16169 | Any Shipper Limited | Kingsgate | Malin | 11/01/2006 | 11/30/2006 | 100 | Percentage | 10/26/2006 11:00:00 AM | No Recall Terms | No |

Capacity Release

Recall/Reput Capacity

- The Releasing Shipper is allowed to recall capacity only if it was indicated in the terms of the release.
- GTN will only honor the recall/reput methods as noted by the Releasing Shipper in the Recall/Reput Terms of offer as originally posted.
- If the Releasing Shipper wishes to recall capacity to be effective for a gas day, notice must be provided to GTN and the Replacement Shipper no later than 6 a.m. (PCT) on nomination day.

From the **Capacity Release** Main Menu on the left-hand side of the screen, select **Offers - View/Edit**. The **Search Offers** screen will appear. Check the **Recallable** indicator.

The offers eligible for recall will be listed by offer number. Choose the offer that you wish to recall by selecting that contract number. The View Offer Screen will appear with that offer's details. Select the **Recall** button to continue.

The **Recall Capacity Release** screen will appear. Use the calendars to select the Recall Effective and Expiration Dates. Enter the amount of the recall and press **Submit**. You will get an on screen confirmation that the recall was successful.



Recall Capacity Release

Submit

General Offer Information

| | | | |
|----------------------------------|--------------------------|------------------------|------------|
| Status | Awarded | | |
| Offer Number | 16170 | | |
| Releasing Contract Number | 10292 | | |
| Releasing Shipper | Any Shipper Limited | | |
| Effective Date | 11/01/2006 | Expiration Date | 11/30/2006 |
| Offer Path | Receipt Kingsgate | Delivery | Malin |
| Award Quantity | 100 | | |
| Recall Terms | NAESB Standard | | |
| Maximum Recall Quantity | 100 | | |
| Is Reputtable | Yes | | |

Recall Information

| | | |
|-------------------|----------------------------------|--|
| Begin Date | 11/1/2006 |  |
| End Date | 11/30/2006 |  |
| Amount | <input type="text" value="100"/> | |

Bidding on Capacity

From the **Capacity Release** Main Menu on the left-hand side of the screen, select **Capacity/Offers/View Posted**. The **Posted Offers** screen will appear.

The offers eligible for bid will be listed by offer number. Choose the offer that you wish to place a bid on by selecting the offer number.

The **New Bids** screen will appear. This screen displays the Offer summary information as specified by the Releasing Shipper. The Releasing Shipper has specified the bidding options available to the Bidder.

Desired Quantity (if applicable): Enter the quantity you wish to bid for. The default is the maximum quantity available. Your entry must be greater than or equal to minimum bid quantity.

Minimum Acceptable Quantity (if applicable): Enter the minimum quantity acceptable.

Desired Begin Date (if applicable): Use the calendar to select the date you wish to begin flowing on this capacity. The date entered may not be prior to offer begin date.

Desired End Date (if applicable): Use the calendar to select the date you wish to stop flowing on the capacity. The date entered must not extend beyond the offer end date.

Bid Rate: Enter the maximum rate you are willing to pay for the capacity. This must be greater than or equal to the minimum bid rate.

Bid Signature: The bid is not accepted until the bid is signed. After entering your Password, select **Submit**. The Bidder will receive a confirmation that the bid was successfully submitted.

View of Capacity Release Offer with Prearranged Bidder

| Offer | Releasing Shipper | Receipt | Delivery | Effective Date | Expiration Date | Release Quantity | Price Denomination | Bidding Deadline | Recall Terms | Bus. Day Recall |
|-----------------------|-------------------------------------|------------------|------------------|----------------|-----------------|------------------|--------------------|------------------------|-----------------|-----------------|
| 17173 | Any Shipper Limited | Kingsgate | Malin | 11/01/2006 | 11/30/2006 | 1000 | Percentage | 10/24/2006 11:00:00 AM | No Recall Terms | No |
| Bids | Replacement Shipper | Minimum Quantity | Maximum Quantity | Effective Date | Expiration Date | Daily Rate | State | Submit Date | | |
| | ***** | 500 | 1000 | 11/01/2006 | 11/30/2006 | 50.000000 | Submitted | 10/24/2006 7:32:45 AM | | |

Bidding on Capacity

New Bids

Submit

Offer Path Kingsgate to Malin
Offer [17173](#)

Offer Details

| Min Daily Bid Quantity | Release Quantity | Effective Date | Expiration Date | Min Release Period | Min Daily Bid Rate |
|------------------------|------------------|----------------|-----------------|--------------------|--------------------|
| 500 | 1000 | 11/01/2006 | 11/30/2006 | 30 | 50.000000 |

Existing Bids

| Minimum Quantity | Maximum Quantity | Effective Date | Expiration Date | Bid Term | Daily Rate |
|------------------|------------------|----------------|-----------------|----------|------------|
| 500 | 1000 | 11/01/2006 | 11/30/2006 | 30 | 50.000000 |

New Bid

| Minimum Quantity | Maximum Quantity | Effective Date | Expiration Date | Bid Term | Daily Rate | Tracking ID |
|------------------|------------------|----------------|-----------------|----------|------------|-------------|
| 500 | 1000 | 11/01/2006 | 11/30/2006 | 30 | | |

Affiliated With Releasing Shipper

Modifying/Withdraw a Bid

From the **Capacity Release** Main Menu on the left-hand side of the screen, select **Bids - View/Edit**. The **Posted Offers** screen will appear.

Choose the bid that you wish to edit or withdraw by selecting the offer number. The **Edit Bids** screen will appear. Edit the bid and select **Submit** or **Withdraw**.

Things to Remember:

- Only complete bids will be accepted by Pacific Express.
- Bids are binding until written or electronic notice of withdrawal is received by GTN.
- A previously submitted bid may be modified or withdrawn any time prior to the close of the Bid Period.
- Bids cannot be withdrawn after the bid period ends.

Bidding on Capacity

Confirmation and Signing of Awarded Offers

Via e-mail, Pacific Express will notify the Replacement Shipper(s) of awarded capacity. This notification will include the terms of the release as well as the acquired contract number.

Shippers that signed a bid during the bid process will not need to sign a contract. To sign a Capacity Release Contract, select **Contracts** from the main menu, followed by **Sign**. The **Search Contracts** screen will appear with all of the Shipper's contracts that require signing. Select the Contract Number of the contract to be signed and the **Sign Contracts** screen will appear with the contract details. Replacement Shippers who obtained capacity through prearranged deals should review the contract carefully. Prior to signing the contract, contact GTN and the Releasing Shipper if there is an error.

To sign your contract, enter your Password and select **Submit**.

Note: Capacity Release offers are signed once. A signed bid obligates the Bidder to the allocated amount/contract. Pre-arranged offers, upon awarding, will require a signature.

Sign Contract

Contract Number 10305
TSP Gas Transmission Northwest Corporation
Pipeline Mainline
Type Standard Firm
Shipper Any Shipper Limited
Effective Date 11/01/2006
Expiration Date 12/31/2011
Evergreen None

Paths

| Receipt Point | Delivery Point | Effective Date | Expiry Date |
|---------------|----------------|----------------|-------------|
| Kingsgate | Malin | 11/01/2006 | 12/31/2011 |

| MDQ | Effective On |
|------|--------------|
| 5000 | 4/1 |
| 5000 | 10/1 |

This signature form is presented in order that you, the Shipper, may electronically "SIGN" a contract. In "Signing" this contract, you are creating a legally binding contract with GTN consistent with GTN's form of service agreement under Rate Schedule FTS-1, LFS-1, ITS-1, AIS-1, or PS-1, as applicable, as set forth in GTN's currently effective FERC Gas Tariff, and agreeing to the Terms and Conditions of GTN's FERC Gas Tariff.

User Name anyshipper

Password

Contracted Services Offered to Shippers

Firm Transportation

Backhaul Firm - *Firm backhaul is a displacement service subject to operational conditions on the pipe.*

Backhaul LFS – *Limited Firm Service backhaul is a displacement service subject to operational conditions on the pipe.*

E1 Firm - *Medford Extension Firm*

E1 Short-Term Firm - *Medford Extension Short-Term Firm*

E2 Firm - *Medford Extension Firm*

E2 Short-Term Firm - *Medford Extension Short-Term Firm*

E3 Firm - *Coyote Springs Extension Meter Firm*

E3 Short-Term Firm - *Coyote Springs Extension Meter Short-Term Firm*

IF Firm – *Incremental Fuel Firm*

Limited Firm – *Limited Firm Service*

Negotiated E2-Firm – *Medford Extension Firm with a Negotiated Rate*

Negotiated Firm - *Standard Long-Term Firm with a Negotiated Rate*

Negotiated LFS – *Limited Firm Service with a Negotiated Rate*

Negotiated Rev-Haul – *Firm Reverse Haul with a Negotiated Rate*

Negotiated Short-Term Firm - *Short Term Firm with a Negotiated Rate*

Short-Term Firm - *Firm Transportation of Less Than One Year*

Standard Firm - *Firm Transportation for One Year or More*

Interruptible Transportation

Interruptible - *Interruptible Transportation*

E1 Interruptible - *Medford Lateral Interruptible Transportation*

E1 Negotiated Interruptible - *Medford Lateral Interruptible Transportation at a Negotiated Rate*

E3 Interruptible - *Coyote Springs Extension Meter Interruptible Transportation*

HUB Services

Parking - *Shippers can “store” gas for a short period of time on the pipeline.*

Lending - *Shippers can “borrow” gas for a short time and return it later.*

Market Centers - *Shippers can move gas into and out of their own “paper pools” to increase flexibility in the purchase and sale of gas.*

Contracts

Creating a Contract Request

Select **Contracts - New** from the Main Menu. The **New Contract** screen will appear.

Completing the Request:

The **Request State** will automatically default to **Pending** until the contract is approved by a GTN Contract Administrator.

The **Transportation Service Provider** may be **GTN or ANG**.

The **Pipeline** will be GTN's **Mainline, Medford Lateral or Coyote Springs Lateral**.

Choose a **Type** from the drop-down menu.

Your **Shipper** Name will automatically be populated.

The **Effective Date** is set to the current date. Use the calendar to choose the month, day and year the contract will become effective.

The **Expiration Date** is set to one year from the current date. Use the calendar to choose the month, day and year the contract will expire.

Use the drop-down menu to choose the primary receipt and delivery points.

The **Summer Begin & Winter Begin** will default to **April 1 & October 1**. Use the drop-down menu to choose an alternative month.

The **MDQ** will default to '0'. Set the **MDQ** to the desired amount.

From this point, the request may either be submitted or saved as a draft.

At this point, your contract request is placed into a 'credit pending' state and will be reviewed by the GTN Credit Administrator. As soon as the contract is approved, you will receive email notification. This notification will include all the requested contract data as well as the contract number assigned by GTN.

Terms & Definitions

TransCanada British Columbia (BC) - The pipeline system that receives gas from NOVA and delivers it to the GTN system at the U.S. – Canada Border.

Backhaul – A nomination for gas that is contrary to the physical flow of the GTN system. No fuel is required for backhaul deliveries.

Bumping – Interruptible transportation that is bumped by firm transportation during the Evening and Intraday 1 nomination cycles.

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.

Dekatherm (Dth) - The quantity of heat energy equivalent to one million British Thermal Units (MMBtu). Dth is the standard quantity for nominations, confirmations and scheduled quantities in the United States. For purposes of GTN’s tariff and associated service contracts, the terms MMBtu and Dth are synonymous.

Delivery Point - The downstream interconnect where gas leaves the GTN system or a point where a Shipper delivers gas.

End-User – The party who will be making final use of the gas.

Forwardhaul – A gas nomination following the physical flow on the GTN system.

Gas Day – The term “gas day” shall refer to 7 a.m. to 7 a.m. Pacific Clock Time (9 a.m. to 9 a.m. Central Clock Time).

Interconnect – The point at which one pipeline system joins another. Kingsgate, Spokane (NWP), Spokane (NWP), Stanfield, Palouse, Tuscarora, and Malin are the interconnecting points on the GTN system.

Intra-day 1 & 2 Nominations - A nomination submitted after the nomination deadline that has an effective time no earlier than the beginning of the gas day and runs through the end of that gas day. Intra-day nominations 1 and 2 WILL NOT rollover and become start of day nomination for the next gas day. An intra-day 1 nomination will be used, if not superceded by a new nom, for the intra-day 2 cycle.

Interstate Pipeline - A pipeline that transports natural gas across state lines. Interstate pipelines’ rates and operations are regulated by the Federal Energy Regulatory Commission (FERC).

Market – Buyer of gas from Shipper.

Market Center (also known as pooling) – The aggregation of gas from multiple parties and or the dis-aggregation of gas from a single physical or logical point to multiple physical and/or logical points.

Terms & Definitions

Terms & Definitions (*cont.*)

Maximum Daily Quantity (MDQ) - The term shall mean the maximum daily quantity in Dth of gas which GTN 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 each year during the term of Shipper's Transportation Service Contract with GTN.

Nomination – The notifications by a Shipper to GTN through Pacific Express or EDI that the Shipper intends to flow gas on the GTN system on a specific date.

NOVA – The Canadian pipeline system that gathers gas from the Canadian well-heads and delivers it to BC for export into the United States.

Receipt Point – The upstream interconnect where gas enters the GTN system or a point where a Shipper receives gas

Shipper – An end-user, marketer, broker, or supplier who transports gas on GTN's system.

Summary of Credit Requirements

The GTN System shall not be required to perform or to continue to provide service on behalf of any Shipper who has become insolvent or who, at GTN System request, fails within a reasonable period to demonstrate creditworthiness. GTN System creditworthiness standards are specific to each service type and are described below. Credit limits will be established based on the level of requested service and Shipper creditworthiness.

Firm Transportation Service

Creditworthiness for firm service may be evidenced by an unenhanced rating for senior unsecured debt of at least **BBB or Baa2 from Standard & Poor's or Moody's, respectively**, or an equivalent rating as determined by GTN. Shipper may also choose to provide GTN a Guarantee in a form acceptable to GTN from a company that meets these creditworthiness standards. Guarantees must be sufficient to cover the present value of the shipper's contractual obligations.

Shippers who do not meet the standard may provide credit support through the following alternative methods:

- Provide a Standby Letter of Credit (L/C). Shipper may provide an L/C in a form and from a bank acceptable to GTN in an amount that satisfies the collateral requirement for the services desired. The term of the L/C must be dated at least 60 days past the termination date of Shipper's longest dated contract, or have an automatic renewal of one year, with a ninety (90) day non-renewal notification period.
- Provide a cash security deposit for service via cleared check or wire transfer.

The amount of Letter of Credit prepayment or cash security deposit required to secure a firm contract will depend on whether the capacity is Existing Capacity or Expansion Capacity, as follows:

- Security for Existing Capacity is limited to three (3) months of applicable transportation charges.
- Security required for Expansion Capacity may be up to the shipper's pro-rata share of the cost of the specific expansion project.
- Existing Capacity shall mean 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.
- Expansion Capacity shall mean 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

Credit Requirements

Summary of Credit Requirements (cont.)

construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.

Capacity Release:

Capacity release contracts have the same credit standards and collateral requirements as Firm Transportation Service. Security requirements applicable to temporary releases of Existing and Expansion Capacity will mirror the security requirements of the releasing shipper.

Permanent capacity holders of firm transportation service will always remain liable for credit support, even if they have temporarily released the capacity.

In a capacity release, a creditworthy Releasing Shipper may choose to waive credit for the Replacement Shipper. If this occurs GTN will not require credit support from the Replacement Shipper.

These requirements are consistent for both long-term (greater than 365 days), and short-term capacity releases.

Interruptible Transportation, Authorized Imbalance, and Parking Service

Creditworthiness for interruptible transportation ("IT"), Authorized Imbalance ("AIS") and Parking Service ("PS") may be established by providing GTN proof of at least two of the following:

1. A long term bond rating from **Standard & Poors of BB+**, **Moody's equivalent to a "Ba1"** or better, or a commercial paper rating from Standard & Poors or Moody's equivalent to Prime-3 or better. Shipper may also provide a Guarantee acceptable to GTN from a company that meets these same creditworthiness standards.
2. Audited financial statements for the two preceding years showing good financial strength.
3. An estimated financial strength rating by Dunn & Bradstreet sufficient to cover the credit to be extended, and a corresponding Dunn & Bradstreet composite rating of "fair" or better.
4. A demonstration by the Shipper that the company has sufficient financial capacity or backing to warrant an extension of credit. This demonstration could include a proof of banking relationships sufficient to cover the service agreement, or a detailed listing of credit references within the industry, exhibiting a good credit history.

Credit Requirements

Summary of Credit Requirements (*cont.*)

Shippers who do not qualify on this basis may obtain service through the following alternative methods:

- Standby Letter of Credit up to the maximum amount of the services that may be provided in any three-month period under an interruptible agreement.
- A prepayment in an amount defined by Shipper.
- A cash security deposit up to the maximum amount of the services that may be provided in any given three-month period under an interruptible agreement.
- Flexible Credit Account allows a shipper to provide any of the above types of collateral in an amount sufficient to cover shipper's forecasted usage. Once Shipper has taken service up to the point where the security provided is insufficient to cover the maximum amount of service that may be provided in one day, Shipper will not be entitled to receive further interruptible service until Shipper 1) pays all or a portion of the amounts due for interruptible service or 2) Shipper provides GTN with additional security

The collateral requirement for Authorized Imbalance (Lending) Service include an amount to adequately account for the value of the gas being lent. The amount of security necessary to collateralize lent gas will be up to Shipper's maximum quantity times the average annual "Malin" price as reported in Gas Daily's Daily Price Survey for the preceding calendar year ending October 31.