

# **KINDER MORGAN MIDSTREAM ASSETS**

## **Nomination Procedures**

### **A. Contractual Authority**

1. Transportation or Storage will only be provided following issuance of a valid agreement. Contract numbers will be assigned to each agreement. This number may be obtained from your Account Manager and must accompany any correspondence concerning a specific agreement.
2. Requests for agreements or amendments to existing agreements should be directed to:

Kinder Morgan  
1001 Louisiana  
Houston, TX 77002  
Attn: Marketing Department  
Telephone: (713) 369-8776

3. The Shipper is responsible to ensure that the other parties in the transportation transaction comply with the procedures.

### **B. Nominations**

1. Transportation/Storage Service or Park/Loan Services

#### General

- a) Each month, the Shipper shall furnish a monthly nomination for each agreement the Shipper desires to use. All quantities shall be expressed in MMBtu/d (dry). Nominations will not be carried forward from one month to the next. Failure to re-nominate will result in an interruption of service.
- b) Once nominations are submitted and confirmed, they shall remain in effect until the date specified on the nomination or the end of the month, unless changed per the provisions in paragraphs B.3 or B.5.
- c) Nominations must be submitted electronically via Dart Plus or in writing to the Pipeline Scheduling Operations Department at 1001 Louisiana Suite 1000, Houston, TX 77002 in person or by mail or fax to:

Kinder Morgan  
Attn: Pipeline Scheduling Operations  
1001 Louisiana  
Houston, TX 77002  
Fax: (832) 397-4355

d) Nominations should be received by the Pipeline Scheduling Operations Department in accordance with Paragraphs B.2 and B.3. If a Scheduler has been assigned to manage your agreement, please send all nominations to that Scheduler. Any questions concerning the nomination procedure should be directed to the Pipeline Scheduling Operations Department at (713) 369-9272 or the Marketing Department at (713) 369-8776.

2. Beginning of the Month Nominations

Shippers desiring to transport or store daily quantities of gas on any Kinder Morgan pipe commencing on the first day of the month should nominate electronically or furnish a fully completed Nomination Form (see example attached) no later than 11:30 a.m. Central Clock Time on the last business day prior to the first day of such month.

3. Nomination Changes

The Shipper may submit nomination changes on any business day. Such changes should be received no later than 11:30 a.m. Central Clock Time on the last business day prior to the gas day being changed. The shipper should submit nomination changes whenever actual flows are expected to vary from the current nominated flow.

4. Late Nominations

Any nominations received after the above stated submission deadlines of Paragraphs B.2 and B.3 may result in a delay of service.

5. Intraday Nominations

Any nomination received after 5:00 p.m. for the next day's gas flow will be considered an intraday nomination. These nominations will be scheduled only if space is available, and the Pipeline Scheduling Operations Department is able to confirm the nomination with the interconnected party.

## 6. Required Changes

If the Pipeline Scheduling Operations Department determines that the actual flows under a particular transportation agreement differ from the confirmed nominations, or any imbalance has occurred due to some other cause, then the Pipeline Scheduling Operations Department may require a prospective nomination change(s) (either receipt or delivery adjustments) from the Shipper, to balance the transportation agreement.

## C. Imbalances

1. The nomination procedure outlined here is intended to result in the transportation agreement operating at a balanced level each day. The Shipper and the Pipeline Scheduling Operations Department will work together to insure that the necessary nomination changes are made on a timely basis to achieve these balanced quantities.
2. Imbalances under upstream and/or downstream transportation agreements to which Kinder Morgan is not a party shall be resolved by the actual parties to those agreements. Kinder Morgan has no responsibility for such imbalances.
3. The process to correct previous months' historical imbalances will not be initiated until the Pipeline Scheduling Operations Departments of both Kinder Morgan and the Shipper agree on the imbalance volume. Subsequently, the Shipper will submit a nomination containing the payback volume which will be contingent on approval by Kinder Morgan management.

## D. Interruptions in Service

1. If the service is interrupted by Kinder Morgan, the Pipeline Scheduling Operations Department will notify the affected Shipper(s) of the interruption as soon as possible. The Pipeline Scheduling Operations Department will, to the extent circumstances allow, attempt to assist the Shipper in rescheduling receipts and/or deliveries based on verbal communication. All requested changes with regard to such interruptions must be followed by a nomination change from the Shipper no later than the next business day.
2. If service is interrupted by the Shipper, the Shipper shall notify the Pipeline Scheduling Operations Department of such interruption as soon as

possible and submit a nomination change in accordance with Paragraph B.3.

3. In the event of an interruption of service due to a Shipper's loss of supply, loss of market and/or failure to meet pipeline quality specifications, the appropriate parties must be contacted so that service can be discontinued or alternate provisions made. If the Shipper's contact(s) cannot be reached, Kinder Morgan will take the necessary actions to protect the integrity of its system. Any resultant damages to the Shipper's system shall be the sole responsibility of the Shipper. If circumstances of the interruption prevent rescheduling transportation, service will be suspended until the cause of the interruption is remedied.
4. In the event that Kinder Morgan is required to curtail services at receipt or delivery point(s) in order to maintain a balanced condition on its system, it shall do so in accordance with the ranking provided by the Shipper on the nomination. Service will be curtailed in descending order with the receipt or delivery point ranked No. 1 being the last to be curtailed. In the absence of Shipper provided ranking, Kinder Morgan will prorate the affected volume.

#### **E. Predetermined Allocations**

Kinder Morgan will allocate the gas flow at each point each day. The Producer/Operator will set the priority at each point prior to the beginning of each month. To assure accuracy the Shipper must communicate a desired order of priority for allocation with the designated Operator prior to the beginning of the month. This order of priority will not change after 9:00 a.m. Central Standard Time on the day of flow. PDA changes will be prospective only.

#### **F. Procedural Changes**

These nomination procedures have been prepared to accommodate the existing operating conditions on Kinder Morgan's system. Kinder Morgan reserves the right to change the procedure.

6/2013

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