



## LPS/SRO Program Overview

The LPS SRO (Standing Request Order) Program was created to give shippers a way to balance pool quantities by minimizing or eliminating daily unexpected losses of supplies or markets. There are two types of contracts a shipper may have under this LPS SRO Program: Original SRO Contracts and Expanded SRO Contracts.

### **Original SRO Contracts:**

Shippers can Park gas or Loan gas at the TexOk Zone G.C. Pool (PIN 10560) or the Midcontinent Zone Pool (PIN 25078) ("Original SRO Pooling Points"). A shipper may have up to four (4) Original SRO contracts with Natural - a Park and/or Loan contract at each of the Original SRO Pooling Points.

Each contract is allowed a maximum cumulative balance of up to 10,000 Dth. When operationally available, shippers may nominate a Park, Loan, Park Withdrawal or Loan Payback quantity up to 10,000 Dth/day. Any quantity exceeding the 10,000 Dth daily nomination limit or balance limit will incur overrun charges.

### **Expanded SRO Contracts:**

Natural has expanded the locations where the SRO program will be offered under Rate Schedule LPS as an additional balancing tool for Shippers in the event of incidental or unexpected minor losses of supplies or markets. The Expanded SRO Contract is structured with a maximum cumulative balance of 800 Dth in each direction at eight (8) additional pooling points ("Expanded SRO Pooling Points").

Specifically, a shipper can request two separate Expanded SRO contracts; one for Parks and one for Loans that covers the Expanded SRO Pooling Points. The MAQ of each contract will be 800 Dth and the MDQ will have a minimum of 0 and a maximum of 800, consistent with the 100 Dth/day point availability for each of the Expanded SRO Pooling Points. Under the Expanded SRO Contracts, Shippers may park or loan up to 100 Dth at each pooling point, unless additional quantities are available as discussed below.

### **PIN      Pooling Point**

25077	Permian Zone
10566	Amarillo Mainline Zone
10561	Iowa-Illinois Amarillo Receipt Zone
25079	South Texas Zone
25080	Louisiana Zone
11328	TexOk – AG
10558	Gulf Coast Mainline Receipt Zone
10562	Iowa-Illinois Gulf Coast Receipt Zone

### **Rates and Availability:**

The rates under the Original SRO and Expanded SRO Contracts can be obtained by clicking on the LPS/SRO Program Rates selection in the menu on the left side of this website. Shippers are charged an Initial fee (per Dth parked or loaned) and a daily Balance fee (per Dth per day for the balance carried on each contract). When operationally available, quantities exceeding the 100 Dth daily nomination limit (per pooling point) may be allowed. In addition, when operationally available, quantities exceeding the maximum cumulative balance limit may be allowed and are subject to overrun charges. The availability of this program will be included in the Current Pipeline Conditions notice posted each business day in the Informational Postings/Notices section. Any changes to the availability are posted under a separate critical notice.

**Payback under the Original SRO and Expanded SRO Contracts:**

Point balances that occur on SRO Park and SRO Loan contracts are not netted (do not offset each other). Each balance must be reduced or eliminated with SRO Payback nominations for the respective contract point balance. Payback must occur in the pooling point where the balance was created; shippers may not payback a Park or Loan balance created at a different pooling point. SRO Park point balances cannot go negative and SRO Loan point balances cannot go positive.

**Using SRO Contracts as a Placeholder:**

Both the Original SRO Contracts and the Expanded SRO Contracts may be used as a "placeholder" at a pooling point in order to minimize the impact of small supply or market cuts within a nomination cycle. Shippers are not charged for nominations on SRO contracts; they are only charged for the final confirmed quantities on each SRO contract after the ID3 Cycle when quantities are netted together. If all of a shipper's activity is confirmed as nominated, then the SRO Park and Loan quantities would be reduced to zero and there is no charge for the shipper.

To utilize this feature, a shipper nominates their applicable SRO Loan contract and SRO Park contract (Original or Expanded) on the same day at the same pooling point with offsetting quantities, which includes a nomination ranking indicating both contracts as the lowest priority transactions (highest numerical rank). As Natural confirms the shipper's pooling points, the SRO Loan and Park nomination are reduced as needed to an amount that balances the shipper's upstream and/or downstream activity at the Pooling Point. DART subsequently "nets" the resulting SRO placeholder contracts at the end of the ID3 Cycle. The SRO Park and Loan contracts are automatically adjusted by DART to balance the shipper's point activity after confirmations have occurred for the ID3 Cycle. The SRO transaction types "Loan" and "Park" will offset each other; SRO transaction types "Loan Paybacks" and "Park Withdrawals" will not be netted.

Questions regarding the SRO program can be directed to your Scheduling Representative or Account Director. To request an LPS SRO Program Contract please contact your Account Director.