East Valley Lateral

Process for Allocation of Deliveries Between EPNG and TW for Shippers with Delivery Locations on the East Valley Lateral

Deliveries at locations on the East Valley Lateral will be allocated first to EPNG up to the total quantity scheduled by EPNG Shippers, then to TW up to TW's capacity limit. In the event the TW capacity limit is exceeded the remainder will be allocated to

| Example 1 - Location | A Imbalance b | between EPNG and T\ | V |
|----------------------|---------------|---------------------|---|
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Allocation on TW Scheduled Quantity

Allocated Quantity

Imbalance

| Example 1 - Location A Imbalance between EPNG and TW | |
|---|----------------------|
| Assumptions | |
| Measured Deliveries | 200,000 |
| Scheduled Quantities by EPNG Shippers | 180,000 |
| TW Capacity Limit | 50,000 |
| Scheduled Quantities by TW Shippers | 25,000 |
| Allocation between EPNG and TW | |
| Measured Deliveries | 200,000 |
| Allocated Quanties to EPNG | 180,000 |
| Allocated Quanties to TW | 20,000 |
| Allocation on EPNG | |
| Scheduled Quantity | 180,000 |
| Allocated Quantity | 180,000 |
| Imbalance | 0 |
| Allocation on TW | |
| Scheduled Quantity | 25,000 |
| Allocated Quantity | 20,000 |
| Imbalance | (5,000) |
| Example 2 - Location B Imbalance between EPNG & TW (exceeds | s TW capacity limit) |
| | |
| Assumptions Measured Deliveries | 150,000 |
| Scheduled Quantities by EPNG Shippers | 95,000 |
| TW Capacity Limit | 50,000 |
| Scheduled Quantities by TW Shippers | 20,000 |
| | |
| Allocation between EPNG and TW | |
| Measured Deliveries | 150,000 |
| Allocated Quanties to EPNG | 95,000 |
| Allocated Quanties to TW (upt to capacity limit) | 50,000 |
| Remainder Allocated to EPNG Total Allocated to EPNG | 5,000 |
| Total Allocated to EPNG | 100,000 |
| Allocation on EPNG | |
| Scheduled Quantity | 95,000 |
| Allocated Quantity | 100,000 |
| Imbalance | 5,000 |

20,000

50,000

30,000