



Southern Natural Gas  
Company, L.L.C.  
a Kinder Morgan operated company

December 6, 2018

Ms. Kimberly Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D. C. 20426

**Re: Southern Natural Gas Company, L.L.C.  
Docket No. RP19-86-001  
OFO Penalty Revisions Compliance Filing**

Dear Ms. Bose:

Pursuant to Part 154 of the Federal Energy Regulatory Commission's ("Commission") Regulations, Southern Natural Gas Company, L.L.C. (Southern) hereby submits for filing the following records to its FERC Gas Tariff, Eighth Revised Volume No. 1 ("Tariff") listed below to be effective December 1, 2018.

Section 4.17, GT&C – Penalties, Version 4.0.0  
Section 4.41, GT&C – OFOs, Version 5.0.0

**Nature, Basis and Reasons for the Proposed Tariff Changes**

On October 16, 2018 Southern filed tariff records<sup>1</sup> to revise the Operational Flow Order (OFO) penalty provisions in Section 41.2 of the General Terms and Conditions (GT&C) of its tariff and to propose clean-up revisions to its penalty waiver provisions in Section 17 of the GT&C<sup>2</sup>. On November 29, 2018, the Commission issued a Letter Order<sup>3</sup> accepting the tariff records subject to conditions and directed Southern to file revised tariff records within 15 days of the order to (1) clearly delineate in Section 4.41 the specific daily average index pricing points to be utilized in its calculations, (2) demonstrate how these pricing points meet or exceed the minimum liquidity criteria to be used as part of a rate in a jurisdictional tariff,<sup>4</sup> and (3) to change from "marketing affiliates" to "affiliates" in Section 17.2. Accordingly, to comply with the November 29, 2018 Letter Order, Southern hereby submits the attached Appendix A and the actual tariff records listed above to be effective December 1, 2018. Appendix A demonstrates that for the review period of August 31, 2018 – November 29, 2018, the three Natural Gas

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<sup>1</sup> Southern Natural Gas Company, L.L.C., FERC NGA Gas Tariff, SNG FERC Tariff Volume 1, Section 17, Penalties, 3.0.0 and Section 41, OFOs, 4.0.0.

<sup>2</sup> Docket No. RP18-86.

<sup>3</sup> *Southern Natural Gas Company, L.L.C.*, 165 FERC ¶ 61,183 (2018).

<sup>4</sup> *Order Regarding Future Monitoring of Voluntary Price Formation, Use of Price Indices in Jurisdictional Tariffs, and Closing Certain Tariff Dockets*, 109 FERC ¶ 61,184 at P 66 and Ordering Paragraph (D) (2004).

Intelligence Daily Gas Price Indexes to be utilized in the calculations<sup>5</sup> significantly exceeded the following minimum liquidity criteria: (1) the average daily volume traded must be at least 25,000 MMBtu's, and (2) the average daily number of transactions must be five or more.

### **Procedural Matters**

Southern respectfully requests waiver of 18 C.F.R. Part 154.207 and any other waivers of the Commission's regulations, to the extent necessary, to permit the proposed tariff records in Volume No. 1 to become effective December 1, 2018.

### **Materials Enclosed**

Pursuant to the applicable provisions of Section 154.7 of the Commission's Regulations, Southern submits the following materials in connection with the filing:

An eTariff XML filing package, filed as a zip (compressed) file, containing:

1. A transmittal letter; and
2. Clean and marked versions of the tariff sections in PDF format; and
3. Appendix A – Supporting Charts in PDF format.

As required by Section 154.208 of the Commission's Regulations, copies of this filing are being made available at Southern's offices in Birmingham, Alabama, and electronically mailed to Southern's customers and to interested state commissions.

The names, titles, and mailing addresses of the persons to whom communications concerning this filing are to be addressed and to whom service is to be made are as follows:

T. Brooks Henderson  
Director – Rates and Regulatory  
Southern Natural Gas Company, L.L.C.  
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<sup>5</sup> South Louisiana Southern Natural, Southeast Transco Zone 4, Southeast Transco Zone 5 South.

Ms. Kimberly D. Bose, Secretary  
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Respectfully submitted,

SOUTHERN NATURAL GAS COMPANY, L.L.C.

/s/ T. Brooks Henderson  
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Director – Rates and Regulatory  
Southern Natural Gas Company, L.L.C.  
Post Office Box 2563  
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Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all Southern's customers and interested state commissions.

Dated at Birmingham, Alabama this 6th day of December 2018.

/s/ T. Brooks Henderson

T. Brooks Henderson

Director – Rates and Regulatory

Southern Natural Gas Company, L.L.C.

Post Office Box 2563

Birmingham, Alabama 35202-2563

(205) 325-3843

[brooks\\_henderson@kindermorgan.com](mailto:brooks_henderson@kindermorgan.com)

## **CLEAN VERSION OF TARIFF SECTIONS**

17. PENALTIES

17.1 Limitation on Collection of Multiple Penalties:

Notwithstanding the other provisions of COMPANY'S FERC Gas Tariff to the contrary, and subject to the provisions of Section 17.2 below, if in any month SHIPPER incurs penalty charges under its Service Agreement(s) pursuant to more than one of the following provisions: Sections 41.2, 41.3, or 41.4 of the General Terms and Conditions, COMPANY will bill, and SHIPPER shall be obligated to pay, only the total penalty charges accruing under the one provision from the foregoing sections which yields the largest dollar amount for the total penalty charges incurred under that provision by SHIPPER on any Gas Day under Penalty during the billing month.

17.2 Waiver:

In recognition of the fact that each penalty provision in this FERC Gas Tariff is intended to promote conscientious operations by the SHIPPER such that service to other SHIPPERS is not impaired in any way, COMPANY may waive any penalty charges incurred by SHIPPER if COMPANY determines, in its reasonable judgment, that SHIPPER was conducting its operations in a responsible manner at the time the penalty charges were incurred and that SHIPPER'S conduct did not impair service to another SHIPPER. COMPANY must grant waivers under this section on a non-discriminatory basis, but the waiver of any penalty charges shall not constitute an automatic waiver of any future penalty charges.

COMPANY shall maintain a record of all waivers granted under this Section 17.2 and shall, for any Company affiliate, post on its Interactive Website information concerning such waivers, including the penalty date, penalty quantities waived, and the basis for each waiver.

#### 41. OPERATIONAL FLOW ORDERS (OFOs)

##### 41.1 Implementation of OFOs:

- (a) COMPANY shall attempt to minimize the use of OFOs and the declaration of critical periods and, when possible, to direct an OFO to the specific party(s) creating the operating condition and to the specific location of the system where the operating condition exists. Whenever COMPANY notifies affected parties that an OFO or critical period exists on its pipeline system under one of the provisions referenced below, such notice shall describe the condition and the specific responses required from the affected parties. COMPANY will release an OFO as soon as system conditions make such release feasible and COMPANY will not wait until the start of a gas day if release of the OFO is possible on an intraday basis. Each potential OFO condition set forth below contains the amount of notice COMPANY is required to give prior to implementing the OFO, if applicable, through its Interactive Website. COMPANY will not assess any penalties under the provisions set forth below on an intraday basis, even if the applicable notice becomes effective during the gas day.
- (b) The following provisions in COMPANY'S FERC Gas Tariff constitute OFOs or critical periods on COMPANY'S system:

<u>OFO Type</u>	<u>Short Description</u>	<u>Does a Penalty Apply?</u>	<u>Tariff Cite</u>
2	Hourly Market Demand Exceeds Capacity	No, but flow control can be installed	Sec. 10.3 – GT&C
3	Daily Market Demand Exceeds Capacity	Yes	Sec. 41.2 – GT&C
4	Daily Deliveries Create Imbalance That Threaten Capacity	Yes	Sec. 41.3 (a), (c), (d) - GT&C
5	Daily Receipts Create Imbalance That Threaten Capacity	Yes	Sec. 41.3 (a), (b), (d) – GT&C
6	Daily Shipper Imbalances Threaten System Integrity	Yes	Sec. 41.4 – GT&C

##### 41.2 Daily Market Demand Exceeds Capacity:

- (a) Whenever COMPANY determines in its reasonable judgment that system operations must be maintained within SHIPPERS' Daily Entitlements, consistent with the criteria set forth in Section 41.2(b) below, COMPANY shall notify SHIPPER that gas taken in excess of either (i) its Daily Entitlement for all of its Delivery Points, or (ii) the quantity of gas allocated for delivery to SHIPPER at a specific Delivery Point or group of Delivery Points at which it is a SHIPPER or a nomination agent or an operator will be subject to this Section 41.2. All SHIPPERS shall comply at any time of day with a notice to limit the taking of gas to the maximum quantity of gas permitted to be taken pursuant to the several provisions of this Section 41.2. The notices under this section shall be designated as being under one of three operating conditions: Level 1, Level 2 or Level 3 as further described below. When COMPANY implements an operational flow order under this Section or when COMPANY changes the level of the operating condition, COMPANY shall provide notice to its SHIPPERS by e-mail pursuant to Section 18 of these General Terms and Conditions and by posting such changes on its Interactive Website. Notices shall be given as soon as practicable but no shorter than the notice periods set forth below. The notice will clearly specify the Delivery Point or group of Delivery Points affected by the OFO ("OFO Group"); and, except as provided under Section 41.2(c)

below, any Delivery Points to be grouped will be grouped based on the current operating conditions on the System at the time the notice is issued.

An operational flow order under this Section 41.2 will not go into effect, however, until a notice is given as follows: (i) For Level 1 OFO notices: at least 24 hours prior to the beginning of the gas day in which the notice goes into effect; (ii) For Level 2 OFO notices: at least 20 hours prior to the beginning of the gas day in which the notice goes into effect; (iii) For Level 3 OFO notices: at least 4 hours prior to the beginning of the Gas Day in which the notice goes into effect. Such notice shall specify the beginning time of the operational flow order and such operational flow order shall remain in effect until cancelled by COMPANY. In the notice COMPANY shall specify the reason for the operational order and the expected conditions that would cause release of the order.

- (b) In order to determine an event which may give rise to an operational flow order under this Section, COMPANY shall evaluate the current status of the system, including, but not limited to, the line inventory, line pressures, equipment availability and outages, the level of inventory at the storage fields, the current imbalance status of the system, including no-notice nominations, the month to date imbalance status of the system, and the direction of change for any of these criteria. COMPANY shall then evaluate the forecasted demand and available capacity on the system based on these factors and the weather forecast for areas across the system and any other factors which could influence the level of usage or flow on the system, such as potential loss of supply, economic conditions relating to gas or oil prices and the status of competing pipelines. Based on an evaluation of current and forecasted system conditions, COMPANY shall post by 1:00 p.m. (CCT) each gas day the operating condition for the current gas day and the projected operating conditions, the likelihood of implementing an OFO under this section, and, if a likelihood exists, the criteria that will be monitored for the succeeding four gas days. Such operating conditions will be posted to be Normal, Level 1, Level 2, or Level 3. The operating conditions may be different for Delivery Points or groups of Delivery Points within the various geographic areas of Company's System. Normal Mode shall be implemented when system conditions do not warrant a correction in flow, and when no known threat to system conditions exists. A Level 1 OFO shall be implemented when system conditions warrant a correction in flow because a threat to system conditions exists such that daily entitlements may be impaired. A Level 2 OFO shall be implemented when system conditions warrant a prompt correction in flow because an imminent threat to system conditions exists such that daily entitlements may be impaired. A Level 3 OFO shall be implemented when system conditions warrant an immediate correction to flow because an event has occurred or is occurring that jeopardizes system conditions such that daily entitlements may be impaired. Under a Level 3 OFO, an event that jeopardizes system conditions shall be considered to be either (i) any mechanical or pipeline failure on the System upstream of a Delivery Point; or (ii) when a Level 2 OFO has been in a place and System conditions continue to deteriorate.
- (c) When giving a notice pursuant to Section 41.2 (a) that the quantity of gas taken in excess of the quantity of gas allocated for delivery at a specific Delivery Point or group of Delivery Points will be subject to Section 41.2(d), COMPANY shall recognize the right of a SHIPPER which owns and operates a system having multiple Delivery Points with COMPANY to take all or any portion of its Daily Entitlement at any Delivery Point or group of Delivery Points listed on the Exhibit B to its Service Agreement with COMPANY (up to the maximum meter capacity of the existing facilities and the capacity of the pipeline and laterals upstream of the meter).
- (d) All gas taken by a SHIPPER after receipt of a notice given pursuant to Section 41.2(a) under a Level 1 OFO, to the extent that the quantity of gas exceeds by both 500 dth/day and 105 percent either (i) its Daily Entitlement for all of its Delivery Points, as established either by an allocation order or orders given by the COMPANY pursuant to Section 16.2 above and/or through COMPANY'S confirmation of SHIPPER'S nominations in accordance with the provisions of Section 12 of these General Terms and Conditions, or (ii) the quantity of gas allocated for delivery to SHIPPER at a specific Delivery Point or group of Delivery Points pursuant to such procedures, shall be deemed to be Unauthorized Overrun Gas, and COMPANY shall bill and SHIPPER shall pay for such



Unauthorized Overrun Gas, in addition to the charges applicable under the respective rate schedules, a penalty of \$10.00 per Dth for quantities taken in excess of the tolerances set forth in this sentence above. All gas taken by a SHIPPER after receipt of a notice given pursuant to Section 41.2(a) under a Level 2 OFO, to the extent that the quantity of gas exceeds by both 200 dth/day and 102 percent either (i) its Daily Entitlement for all of its Delivery Points, as established either by an allocation order or orders given by the COMPANY pursuant to Section 16.2 above and/or through COMPANY'S confirmation of SHIPPER'S nominations in accordance with the provisions of Section 12 of these General Terms and Conditions, or (ii) the quantity of gas allocated for delivery to SHIPPER at a specific Delivery Point or group of Delivery Points pursuant to such procedures, shall be deemed to be Unauthorized Overrun Gas, and COMPANY shall bill and SHIPPER shall pay for such Unauthorized Overrun Gas, in addition to the charges applicable under the respective rate schedules, a penalty of \$15.00 plus the highest price published for the applicable flow date in the Natural Gas Intelligence Daily Gas Price Index in the AVG column for the following price points: (i) South Louisiana, Southern Natural, or (ii) Southeast, Transco Zone 4, or (iii) Southeast, Transco Zone 5 South ("Highest Regional Daily Price") per Dth for quantities taken in excess of the tolerances set forth in this sentence above. All gas taken by a SHIPPER after receipt of a notice given pursuant to Section 41.2(a) under a Level 3 OFO, to the extent that the quantity of gas exceeds by both 200 dth/day and 102 percent either (i) its Daily Entitlement for all of its Delivery Points, as established either by an allocation order or orders given by the COMPANY pursuant to Section 16.2 above and/or through COMPANY'S confirmation of SHIPPER'S nominations in accordance with the provisions of Section 12 of these General Terms and Conditions, or (ii) the quantity of gas allocated for delivery to SHIPPER at a specific Delivery Point or group of Delivery Points pursuant to such procedures, shall be deemed to be Unauthorized Overrun Gas, and COMPANY shall bill and SHIPPER shall pay for such Unauthorized Overrun Gas, in addition to the charges applicable under the respective rate schedules, a penalty of \$25.00 plus two times the Highest Regional Daily Price per Dth for quantities taken in excess of the tolerances set forth in this sentence above. The penalties set forth herein shall apply for any day in which the operational flow order is in effect.

It is provided, however, that if COMPANY has issued a penalty notice pursuant to Section 41.2(a) for (i) a Delivery Point where electronic measurement has not been installed or has not been installed to meter at least 75% of the volumes where the Delivery Point is comprised of more than one measurement station, or (ii) a group of Delivery Points where electronic measurement has not been installed to meter at least 75% of the volume from the Delivery Points, then the penalty assessed under this Section 41.2(d) shall be \$5.00 per Dth. For purposes of determining the 75% threshold, COMPANY shall use the volumes metered at each measurement station during the twelve-month period ending annually on March 31. Payments pursuant to this Section 41.2 shall not, under any circumstances, be considered as giving SHIPPER the right to take Unauthorized Overrun Gas; nor shall such payment exclude or limit any other remedies available to COMPANY or to another SHIPPER against SHIPPER for failure to limit its taking of gas to its Daily Entitlement.

- (e) Prior to application of the penalty set forth above in Section 41.2(d), if the total gas taken (i) at the group of Delivery Points described in Section 41.2(a) above, or (ii) by a SHIPPER or nomination agent or operator receiving service within the group of Delivery Points described in Section 41.2(a) above does not exceed the applicable tolerance set forth above, then COMPANY shall not assess the penalty for that group of Delivery Points or to that SHIPPER, respectively. Notwithstanding the above or Section 41.2(c) above, COMPANY may apply the penalty to any SHIPPER which takes gas in excess of the tolerance set forth in Section 41.2(d) above if such unauthorized takes prevent or limit another SHIPPER from receiving its scheduled and no-notice deliveries at any Delivery Point on COMPANY's system. In addition, COMPANY shall be entitled to separate any single Delivery Point from a group of Delivery Points under the notice hereunder if deliveries at the Delivery Point either (i) are consistently and materially in excess of daily entitlements after issuance of an OFO notice under this Section 41.2; or (ii) have repeatedly taken action which is contrary to the direction of an OFO issued under this Section.

41.3 Daily Receipts/Deliveries Exceed Capacity Due To Imbalances

- (a) If COMPANY is experiencing capacity constraints at certain Receipt or Delivery Points or operational difficulties because of the variance between SHIPPERS' scheduled nominations and actual receipts and/or deliveries for SHIPPERS' accounts or because the gas quality at the Receipt Point is not in conformance with the terms of Section 3.1(g) of these General Terms and Conditions, COMPANY will give SHIPPERS twenty-four (24) hours' notice prior to the start of the gas day to which the notice applies that it will assess the scheduling penalties set forth below in Sections 41.3(b) and/or 41.3(c). In such notice, COMPANY shall specify the direction in which the variance is prohibited as a result of the operational difficulty. It is provided, however that variances between SHIPPER'S nominations and actual receipts and/or deliveries which are attributable to no-notice service under Rate Schedule FT-NN shall not be subject to penalty under this Section 41.3. The notice shall list all Receipt and/or Delivery Points where the scheduling penalties will be assessed and will remain in effect until SHIPPERS are notified to the contrary.

- (b) If during any day of the month SHIPPER'S total scheduled quantities at a Receipt Point set forth in a notice given under (a) above vary by more than four (4) percent of the actual daily quantities received by COMPANY for SHIPPER'S account at the Receipt Point on that day, and such variance is in the direction prohibited in such notice, then a scheduling penalty shall be assessed; provided, however, that said scheduling penalty shall not be assessed if said variance occurs solely because of COMPANY'S inability to accept gas delivered to COMPANY for SHIPPER'S account and such inability to accept gas is not because the quality of the gas at the Receipt Point fails to meet the standards set forth in Section 3 of these General Terms and Conditions.

Notwithstanding the fact that SHIPPER's scheduled quantities and SHIPPER's actual receipts vary by more than the four (4) percent tolerance described above, if the total scheduled quantities (i) at the Receipt Point identified in the notice or (ii) at a group of Receipt Points identified in the notice set forth in Section 41.3(a) above, if applicable; or (iii) at those Receipt Points within the group of Receipt Points in (ii) above, having the same Point Operator as the Receipt Point at which SHIPPER has scheduled quantities, if applicable, do not vary by more than four (4) percent of the daily quantities received by COMPANY at the Receipt Point, the group level, or the operator level, respectively, then the scheduling penalty shall not be assessed hereunder. Subject to the provisions of Section 41.3(d) below, the scheduling penalty shall be equal to the maximum Transportation Charge under the IT Rate Schedule multiplied by the quantities in excess of the allowed variance, provided, however, that such penalty shall be waived for an interruptible SHIPPER whose scheduled quantities are bumped by a firm intra-day nomination but shall be waived only for the day that such bumping occurs.

- (c) If during any day of the month the actual quantities of gas delivered at each Delivery Point set forth in a notice given under (a) above by COMPANY for SHIPPER'S account vary by more than four (4) percent of SHIPPER's scheduled quantities, including any applicable no-notice entitlements for each Delivery Point, and such variance is in the direction prohibited in such notice, then a scheduling penalty shall be assessed. Notwithstanding the fact that SHIPPER's scheduled quantities and SHIPPER's actual deliveries vary by more than the four (4) percent tolerance described above, if the total scheduled quantities (i) at the Delivery Point identified in the notice or (ii) at a group of Delivery Points identified in the notice set forth in Section 41.3(a) above, if applicable; or (iii) at those Delivery Points within the group of Delivery Points in (ii) above, having the same Point Operator as the Delivery Point at which SHIPPER has scheduled quantities, if applicable, do not vary by more than four (4) percent of the daily quantities delivered by COMPANY at the Delivery Point, the group level, or the operator level, respectively, then the scheduling penalty shall not be assessed hereunder. Subject to the provisions of Section 41.3(d) below, the scheduling penalty shall be equal to the maximum Transportation Charge under the IT Rate Schedule multiplied by the quantities in excess of the allowed variance, provided, however, that such penalty shall be waived for an interruptible SHIPPER whose scheduled quantities are bumped by a firm intra-day nomination but shall be waived only for the day that such bumping occurs.

- (d) If COMPANY has given notice that it is assessing one of the foregoing scheduling penalties under Section 41.3(b) or (c) at a Receipt or Delivery Point on a day when it is also limiting receipts or deliveries at such point, then COMPANY shall so specify in its notice. The scheduling penalty assessed on any such day shall be equal to \$15.00 per Dth multiplied by the quantities in excess of the allowed variance under the applicable provision above.

#### 41.4 DAILY IMBALANCE PENALTIES

- (a) For Rate Schedules IT, FT-NN, FT, and Supply Pool Balancing Agreements, if COMPANY determines in its reasonable judgment that any imbalance between the gas received by COMPANY for SHIPPER'S account and delivered by COMPANY for SHIPPER'S account threatens the physical or operational integrity of its pipeline system, which includes the ability to deliver to any other SHIPPER its Daily Entitlement, COMPANY shall have the right to interrupt or limit at any time, and from time to time, the quantities of gas it will receive for transportation or deliver for SHIPPER'S account to the extent COMPANY in its reasonable judgment deems necessary in order to maintain the physical or operational integrity of its pipeline system. Any notice to interrupt or limit the quantity of gas to be received or delivered by COMPANY shall be given four (4) hours in advance, or such shorter period of time as is required to prevent physical damage to or to maintain the operational integrity of COMPANY'S pipeline system, and shall be limited to an amount COMPANY reasonably estimates does not exceed the amount of the imbalance threatening the operational integrity of COMPANY'S pipeline system. Further, to the maximum extent practicable, COMPANY shall limit the scope and duration of any action or order to interrupt or limit the receipt and/or delivery of gas so that service to SHIPPER is maintained at the highest level consistent with maintaining the physical or operational integrity of COMPANY'S pipeline system.

If SHIPPER accrues an imbalance in violation of said limitation notice given by COMPANY, SHIPPER shall pay the following applicable penalty charges. Penalties on SHIPPER's imbalance shall be based on the following percentages of SHIPPER's allocated deliveries. SHIPPER's imbalance shall be defined as the difference of SHIPPER's allocated receipts and SHIPPER's allocated deliveries. Notwithstanding the above, the following activity by SHIPPER shall not cause SHIPPER to incur a penalty under this Section: (a)no-notice storage withdrawals made under Rate Schedule FT-NN where the notice above limits receipts (supply long imbalances); or (b)no-notice storage injections where the notice above limits deliveries(supply short imbalances).

Imbalance (Percentage of Allocated Deliveries)	Penalty (Per Dth)
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0 - 2% or < 200 Dth	No Penalty
>2 - 5%	\$1.00
>5 - 8%	\$5.00
> 8%	\$15.00

Notwithstanding the above, in the event that the COMPANY has in effect such limitation notice and the actual overall system imbalance is opposite to the direction of the said notice, SHIPPER shall not be penalized.

- (b) Insofar as practicable, when COMPANY detects the development of a system imbalance that threatens the physical or operational integrity of its pipeline system as described in 41.4(a) above, COMPANY shall endeavor to identify those SHIPPERS making a significant contribution to the imbalance and to contact such SHIPPERS in an effort to reduce the system imbalance and avoid the necessity of imposing penalties as set forth in 41.4(a)above. It is recognized, however, that such prior notification may not be possible under all circumstances, e.g., when COMPANY must act quickly in order to protect the integrity of its system.
- (c) Based on an evaluation of current and forecasted system conditions, COMPANY shall post by 2:00 p.m. (CCT) each Friday, or, if Thursday or Friday is a recognized COMPANY

holiday, then on the day before such recognized COMPANY holiday, the probability of implementing an OFO under this Section 41.4 for the succeeding Saturday, Sunday, and Monday and the Thursday and/or Friday during a recognized COMPANY holiday. If system conditions change, COMPANY shall update such posting periodically throughout the weekend.

## **MARKED VERSION OF TARIFF SECTIONS**

17. PENALTIES

17.1 Limitation on Collection of Multiple Penalties:

Notwithstanding the other provisions of COMPANY'S FERC Gas Tariff to the contrary, and subject to the provisions of Section 17.2 below, if in any month SHIPPER incurs penalty charges under its Service Agreement(s) pursuant to more than one of the following provisions: Sections 41.2, 41.3, or 41.4 of the General Terms and Conditions, COMPANY will bill, and SHIPPER shall be obligated to pay, only the total penalty charges accruing under the one provision from the foregoing sections which yields the largest dollar amount for the total penalty charges incurred under that provision by SHIPPER on any Gas Day under Penalty during the billing month.

17.2 Waiver:

In recognition of the fact that each penalty provision in this FERC Gas Tariff is intended to promote conscientious operations by the SHIPPER such that service to other SHIPPERS is not impaired in any way, COMPANY may waive any penalty charges incurred by SHIPPER if COMPANY determines, in its reasonable judgment, that SHIPPER was conducting its operations in a responsible manner at the time the penalty charges were incurred and that SHIPPER'S conduct did not impair service to another SHIPPER. COMPANY must grant waivers under this section on a non-discriminatory basis, but the waiver of any penalty charges shall not constitute an automatic waiver of any future penalty charges.

COMPANY shall maintain a record of all waivers granted under this Section 17.2 and shall, for any Company ~~marketing~~-affiliate, post on its Interactive Website information concerning such waivers, including the penalty date, penalty quantities waived, and the basis for each waiver.

#### 41. OPERATIONAL FLOW ORDERS (OFOs)

##### 41.1 Implementation of OFOs:

- (a) COMPANY shall attempt to minimize the use of OFOs and the declaration of critical periods and, when possible, to direct an OFO to the specific party(s) creating the operating condition and to the specific location of the system where the operating condition exists. Whenever COMPANY notifies affected parties that an OFO or critical period exists on its pipeline system under one of the provisions referenced below, such notice shall describe the condition and the specific responses required from the affected parties. COMPANY will release an OFO as soon as system conditions make such release feasible and COMPANY will not wait until the start of a gas day if release of the OFO is possible on an intraday basis. Each potential OFO condition set forth below contains the amount of notice COMPANY is required to give prior to implementing the OFO, if applicable, through its Interactive Website. COMPANY will not assess any penalties under the provisions set forth below on an intraday basis, even if the applicable notice becomes effective during the gas day.
- (b) The following provisions in COMPANY'S FERC Gas Tariff constitute OFOs or critical periods on COMPANY'S system:

<u>OFO Type</u>	<u>Short Description</u>	<u>Does a Penalty Apply?</u>	<u>Tariff Cite</u>
2	Hourly Market Demand Exceeds Capacity	No, but flow control can be installed	Sec. 10.3 – GT&C
3	Daily Market Demand Exceeds Capacity	Yes	Sec. 41.2 – GT&C
4	Daily Deliveries Create Imbalance That Threaten Capacity	Yes	Sec. 41.3 (a), (c), (d) - GT&C
5	Daily Receipts Create Imbalance That Threaten Capacity	Yes	Sec. 41.3 (a), (b), (d) – GT&C
6	Daily Shipper Imbalances Threaten System Integrity	Yes	Sec. 41.4 – GT&C

##### 41.2 Daily Market Demand Exceeds Capacity:

- (a) Whenever COMPANY determines in its reasonable judgment that system operations must be maintained within SHIPPERS' Daily Entitlements, consistent with the criteria set forth in Section 41.2(b) below, COMPANY shall notify SHIPPER that gas taken in excess of either (i) its Daily Entitlement for all of its Delivery Points, or (ii) the quantity of gas allocated for delivery to SHIPPER at a specific Delivery Point or group of Delivery Points at which it is a SHIPPER or a nomination agent or an operator will be subject to this Section 41.2. All SHIPPERS shall comply at any time of day with a notice to limit the taking of gas to the maximum quantity of gas permitted to be taken pursuant to the several provisions of this Section 41.2. The notices under this section shall be designated as being under one of three operating conditions: Level 1, Level 2 or Level 3 as further described below. When COMPANY implements an operational flow order under this Section or when COMPANY changes the level of the operating condition, COMPANY shall provide notice to its SHIPPERS by e-mail pursuant to Section 18 of these General Terms and Conditions and by posting such changes on its Interactive Website. Notices shall be given as soon as practicable but no shorter than the notice periods set forth below. The notice will clearly specify the Delivery Point or group of Delivery Points affected by the OFO ("OFO Group"); and, except as provided under Section 41.2(c)

below, any Delivery Points to be grouped will be grouped based on the current operating conditions on the System at the time the notice is issued.

An operational flow order under this Section 41.2 will not go into effect, however, until a notice is given as follows: (i) For Level 1 OFO notices: at least 24 hours prior to the beginning of the gas day in which the notice goes into effect; (ii) For Level 2 OFO notices: at least 20 hours prior to the beginning of the gas day in which the notice goes into effect; (iii) For Level 3 OFO notices: at least 4 hours prior to the beginning of the Gas Day in which the notice goes into effect. Such notice shall specify the beginning time of the operational flow order and such operational flow order shall remain in effect until cancelled by COMPANY. In the notice COMPANY shall specify the reason for the operational order and the expected conditions that would cause release of the order.

- (b) In order to determine an event which may give rise to an operational flow order under this Section, COMPANY shall evaluate the current status of the system, including, but not limited to, the line inventory, line pressures, equipment availability and outages, the level of inventory at the storage fields, the current imbalance status of the system, including no-notice nominations, the month to date imbalance status of the system, and the direction of change for any of these criteria. COMPANY shall then evaluate the forecasted demand and available capacity on the system based on these factors and the weather forecast for areas across the system and any other factors which could influence the level of usage or flow on the system, such as potential loss of supply, economic conditions relating to gas or oil prices and the status of competing pipelines. Based on an evaluation of current and forecasted system conditions, COMPANY shall post by 1:00 p.m. (CCT) each gas day the operating condition for the current gas day and the projected operating conditions, the likelihood of implementing an OFO under this section, and, if a likelihood exists, the criteria that will be monitored for the succeeding four gas days. Such operating conditions will be posted to be Normal, Level 1, Level 2, or Level 3. The operating conditions may be different for Delivery Points or groups of Delivery Points within the various geographic areas of Company's System. Normal Mode shall be implemented when system conditions do not warrant a correction in flow, and when no known threat to system conditions exists. A Level 1 OFO shall be implemented when system conditions warrant a correction in flow because a threat to system conditions exists such that daily entitlements may be impaired. A Level 2 OFO shall be implemented when system conditions warrant a prompt correction in flow because an imminent threat to system conditions exists such that daily entitlements may be impaired. A Level 3 OFO shall be implemented when system conditions warrant an immediate correction to flow because an event has occurred or is occurring that jeopardizes system conditions such that daily entitlements may be impaired. Under a Level 3 OFO, an event that jeopardizes system conditions shall be considered to be either (i) any mechanical or pipeline failure on the System upstream of a Delivery Point; or (ii) when a Level 2 OFO has been in a place and System conditions continue to deteriorate.
- (c) When giving a notice pursuant to Section 41.2 (a) that the quantity of gas taken in excess of the quantity of gas allocated for delivery at a specific Delivery Point or group of Delivery Points will be subject to Section 41.2(d), COMPANY shall recognize the right of a SHIPPER which owns and operates a system having multiple Delivery Points with COMPANY to take all or any portion of its Daily Entitlement at any Delivery Point or group of Delivery Points listed on the Exhibit B to its Service Agreement with COMPANY (up to the maximum meter capacity of the existing facilities and the capacity of the pipeline and laterals upstream of the meter).
- (d) All gas taken by a SHIPPER after receipt of a notice given pursuant to Section 41.2(a) under a Level 1 OFO, to the extent that the quantity of gas exceeds by both 500 dth/day and 105 percent either (i) its Daily Entitlement for all of its Delivery Points, as established either by an allocation order or orders given by the COMPANY pursuant to Section 16.2 above and/or through COMPANY'S confirmation of SHIPPER'S nominations in accordance with the provisions of Section 12 of these General Terms and Conditions, or (ii) the quantity of gas allocated for delivery to SHIPPER at a specific Delivery Point or group of Delivery Points pursuant to such procedures, shall be deemed to be Unauthorized Overrun Gas, and COMPANY shall bill and SHIPPER shall pay for such



Unauthorized Overrun Gas, in addition to the charges applicable under the respective rate schedules, a penalty of \$10.00 per Dth for quantities taken in excess of the tolerances set forth in this sentence above. All gas taken by a SHIPPER after receipt of a notice given pursuant to Section 41.2(a) under a Level 2 OFO, to the extent that the quantity of gas exceeds by both 200 dth/day and 102 percent either (i) its Daily Entitlement for all of its Delivery Points, as established either by an allocation order or orders given by the COMPANY pursuant to Section 16.2 above and/or through COMPANY'S confirmation of SHIPPER'S nominations in accordance with the provisions of Section 12 of these General Terms and Conditions, or (ii) the quantity of gas allocated for delivery to SHIPPER at a specific Delivery Point or group of Delivery Points pursuant to such procedures, shall be deemed to be Unauthorized Overrun Gas, and COMPANY shall bill and SHIPPER shall pay for such Unauthorized Overrun Gas, in addition to the charges applicable under the respective rate schedules, a penalty of \$15.00 plus the highest ~~average index~~ price published for the applicable flow date in the Natural Gas Intelligence Daily Gas Price Index in the AVG column for the following price points: (i) South Louisiana, Southern Natural, or (ii) Southeast, Transco Zone 4, or (iii) Southeast, Transco Zone 5 South ~~for all pricing points for the Southern Natural Gas System, and for all Transcontinental Gas Pipeline System pricing points in the Transco Zone 4 and Transco Zone 5 South Groupings for the applicable flow date~~ ("Highest Regional Daily Average-Price") per Dth for quantities taken in excess of the tolerances set forth in this sentence above. All gas taken by a SHIPPER after receipt of a notice given pursuant to Section 41.2(a) under a Level 3 OFO, to the extent that the quantity of gas exceeds by both 200 dth/day and 102 percent either (i) its Daily Entitlement for all of its Delivery Points, as established either by an allocation order or orders given by the COMPANY pursuant to Section 16.2 above and/or through COMPANY'S confirmation of SHIPPER'S nominations in accordance with the provisions of Section 12 of these General Terms and Conditions, or (ii) the quantity of gas allocated for delivery to SHIPPER at a specific Delivery Point or group of Delivery Points pursuant to such procedures, shall be deemed to be Unauthorized Overrun Gas, and COMPANY shall bill and SHIPPER shall pay for such Unauthorized Overrun Gas, in addition to the charges applicable under the respective rate schedules, a penalty of \$25.00 plus two times the Highest Regional Daily ~~Average~~ Price per Dth for quantities taken in excess of the tolerances set forth in this sentence above. The penalties set forth herein shall apply for any day in which the operational flow order is in effect.

It is provided, however, that if COMPANY has issued a penalty notice pursuant to Section 41.2(a) for (i) a Delivery Point where electronic measurement has not been installed or has not been installed to meter at least 75% of the volumes where the Delivery Point is comprised of more than one measurement station, or (ii) a group of Delivery Points where electronic measurement has not been installed to meter at least 75% of the volume from the Delivery Points, then the penalty assessed under this Section 41.2(d) shall be \$5.00 per Dth. For purposes of determining the 75% threshold, COMPANY shall use the volumes metered at each measurement station during the twelve-month period ending annually on March 31. Payments pursuant to this Section 41.2 shall not, under any circumstances, be considered as giving SHIPPER the right to take Unauthorized Overrun Gas; nor shall such payment exclude or limit any other remedies available to COMPANY or to another SHIPPER against SHIPPER for failure to limit its taking of gas to its Daily Entitlement.

- (e) Prior to application of the penalty set forth above in Section 41.2(d), if the total gas taken (i) at the group of Delivery Points described in Section 41.2(a) above, or (ii) by a SHIPPER or nomination agent or operator receiving service within the group of Delivery Points described in Section 41.2(a) above does not exceed the applicable tolerance set forth above, then COMPANY shall not assess the penalty for that group of Delivery Points or to that SHIPPER, respectively. Notwithstanding the above or Section 41.2(c) above, COMPANY may apply the penalty to any SHIPPER which takes gas in excess of the tolerance set forth in Section 41.2(d) above if such unauthorized takes prevent or limit another SHIPPER from receiving its scheduled and no-notice deliveries at any Delivery Point on COMPANY's system. In addition, COMPANY shall be entitled to separate any single Delivery Point from a group of Delivery Points under the notice hereunder if deliveries at the Delivery Point either (i) are consistently and materially in excess of daily entitlements after issuance of an OFO notice under this Section 41.2; or

(ii) have repeatedly taken action which is contrary to the direction of an OFO issued under this Section.

41.3 Daily Receipts/Deliveries Exceed Capacity Due To Imbalances

- (a) If COMPANY is experiencing capacity constraints at certain Receipt or Delivery Points or operational difficulties because of the variance between SHIPPERS' scheduled nominations and actual receipts and/or deliveries for SHIPPERS' accounts or because the gas quality at the Receipt Point is not in conformance with the terms of Section 3.1(g) of these General Terms and Conditions, COMPANY will give SHIPPERS twenty-four (24) hours' notice prior to the start of the gas day to which the notice applies that it will assess the scheduling penalties set forth below in Sections 41.3(b) and/or 41.3(c). In such notice, COMPANY shall specify the direction in which the variance is prohibited as a result of the operational difficulty. It is provided, however that variances between SHIPPER'S nominations and actual receipts and/or deliveries which are attributable to no-notice service under Rate Schedule FT-NN shall not be subject to penalty under this Section 41.3. The notice shall list all Receipt and/or Delivery Points where the scheduling penalties will be assessed and will remain in effect until SHIPPERS are notified to the contrary.
- (b) If during any day of the month SHIPPER'S total scheduled quantities at a Receipt Point set forth in a notice given under (a) above vary by more than four (4) percent of the actual daily quantities received by COMPANY for SHIPPER'S account at the Receipt Point on that day, and such variance is in the direction prohibited in such notice, then a scheduling penalty shall be assessed; provided, however, that said scheduling penalty shall not be assessed if said variance occurs solely because of COMPANY'S inability to accept gas delivered to COMPANY for SHIPPER'S account and such inability to accept gas is not because the quality of the gas at the Receipt Point fails to meet the standards set forth in Section 3 of these General Terms and Conditions.

Notwithstanding the fact that SHIPPER's scheduled quantities and SHIPPER's actual receipts vary by more than the four (4) percent tolerance described above, if the total scheduled quantities (i) at the Receipt Point identified in the notice or (ii) at a group of Receipt Points identified in the notice set forth in Section 41.3(a) above, if applicable; or (iii) at those Receipt Points within the group of Receipt Points in (ii) above, having the same Point Operator as the Receipt Point at which SHIPPER has scheduled quantities, if applicable, do not vary by more than four (4) percent of the daily quantities received by COMPANY at the Receipt Point, the group level, or the operator level, respectively, then the scheduling penalty shall not be assessed hereunder. Subject to the provisions of Section 41.3(d) below, the scheduling penalty shall be equal to the maximum Transportation Charge under the IT Rate Schedule multiplied by the quantities in excess of the allowed variance, provided, however, that such penalty shall be waived for an interruptible SHIPPER whose scheduled quantities are bumped by a firm intra-day nomination but shall be waived only for the day that such bumping occurs.

- (c) If during any day of the month the actual quantities of gas delivered at each Delivery Point set forth in a notice given under (a) above by COMPANY for SHIPPER'S account vary by more than four (4) percent of SHIPPER's scheduled quantities, including any applicable no-notice entitlements for each Delivery Point, and such variance is in the direction prohibited in such notice, then a scheduling penalty shall be assessed. Notwithstanding the fact that SHIPPER's scheduled quantities and SHIPPER's actual deliveries vary by more than the four (4) percent tolerance described above, if the total scheduled quantities (i) at the Delivery Point identified in the notice or (ii) at a group of Delivery Points identified in the notice set forth in Section 41.3(a) above, if applicable; or (iii) at those Delivery Points within the group of Delivery Points in (ii) above, having the same Point Operator as the Delivery Point at which SHIPPER has scheduled quantities, if applicable, do not vary by more than four (4) percent of the daily quantities delivered by COMPANY at the Delivery Point, the group level, or the operator level, respectively, then the scheduling penalty shall not be assessed hereunder. Subject to the provisions of Section 41.3(d) below, the scheduling penalty shall be equal to the maximum Transportation Charge under the IT Rate Schedule multiplied by the quantities in excess of the allowed variance, provided, however, that such penalty shall

be waived for an interruptible SHIPPER whose scheduled quantities are bumped by a firm intra-day nomination but shall be waived only for the day that such bumping occurs.

- (d) If COMPANY has given notice that it is assessing one of the foregoing scheduling penalties under Section 41.3(b) or (c) at a Receipt or Delivery Point on a day when it is also limiting receipts or deliveries at such point, then COMPANY shall so specify in its notice. The scheduling penalty assessed on any such day shall be equal to \$15.00 per Dth multiplied by the quantities in excess of the allowed variance under the applicable provision above.

#### 41.4 DAILY IMBALANCE PENALTIES

- (a) For Rate Schedules IT, FT-NN, FT, and Supply Pool Balancing Agreements, if COMPANY determines in its reasonable judgment that any imbalance between the gas received by COMPANY for SHIPPER'S account and delivered by COMPANY for SHIPPER'S account threatens the physical or operational integrity of its pipeline system, which includes the ability to deliver to any other SHIPPER its Daily Entitlement, COMPANY shall have the right to interrupt or limit at any time, and from time to time, the quantities of gas it will receive for transportation or deliver for SHIPPER'S account to the extent COMPANY in its reasonable judgment deems necessary in order to maintain the physical or operational integrity of its pipeline system. Any notice to interrupt or limit the quantity of gas to be received or delivered by COMPANY shall be given four (4) hours in advance, or such shorter period of time as is required to prevent physical damage to or to maintain the operational integrity of COMPANY'S pipeline system, and shall be limited to an amount COMPANY reasonably estimates does not exceed the amount of the imbalance threatening the operational integrity of COMPANY'S pipeline system. Further, to the maximum extent practicable, COMPANY shall limit the scope and duration of any action or order to interrupt or limit the receipt and/or delivery of gas so that service to SHIPPER is maintained at the highest level consistent with maintaining the physical or operational integrity of COMPANY'S pipeline system.

If SHIPPER accrues an imbalance in violation of said limitation notice given by COMPANY, SHIPPER shall pay the following applicable penalty charges. Penalties on SHIPPER's imbalance shall be based on the following percentages of SHIPPER's allocated deliveries. SHIPPER's imbalance shall be defined as the difference of SHIPPER's allocated receipts and SHIPPER's allocated deliveries. Notwithstanding the above, the following activity by SHIPPER shall not cause SHIPPER to incur a penalty under this Section: (a)no-notice storage withdrawals made under Rate Schedule FT-NN where the notice above limits receipts (supply long imbalances); or (b)no-notice storage injections where the notice above limits deliveries(supply short imbalances).

Imbalance (Percentage of Allocated Deliveries)	Penalty (Per Dth)
0 - 2% or < 200 Dth	No Penalty
>2 - 5%	\$1.00
>5 - 8%	\$5.00
> 8%	\$15.00

Notwithstanding the above, in the event that the COMPANY has in effect such limitation notice and the actual overall system imbalance is opposite to the direction of the said notice, SHIPPER shall not be penalized.

- (b) Insofar as practicable, when COMPANY detects the development of a system imbalance that threatens the physical or operational integrity of its pipeline system as described in 41.4(a) above, COMPANY shall endeavor to identify those SHIPPERS making a significant contribution to the imbalance and to contact such SHIPPERS in an effort to reduce the system imbalance and avoid the necessity of imposing penalties as set forth in 41.4(a)above. It is recognized, however, that such prior notification may not be possible under all circumstances, e.g., when COMPANY must act quickly in order to protect the integrity of its system.

- (c) Based on an evaluation of current and forecasted system conditions, COMPANY shall post by 2:00 p.m. (CCT) each Friday, or, if Thursday or Friday is a recognized COMPANY holiday, then on the day before such recognized COMPANY holiday, the probability of implementing an OFO under this Section 41.4 for the succeeding Saturday, Sunday, and Monday and the Thursday and/or Friday during a recognized COMPANY holiday. If system conditions change, COMPANY shall update such posting periodically throughout the weekend.

**SOUTHERN NATURAL GAS  
PIPELINE COMPANY, L.L.C.**

**APPENDIX A**

**LIQUIDITY SUPPORT CHARTS**

South Louisiana, Southern Natural  
Natural Gas Intelligence Daily Gas Price Index  
From 8/31/18 - 11/29/18

Index Name	Publication	Trade Date	Price	Volume	
				(1000 MMBTU)	# of Deals
Southern Natural	NGI	8/31/2018	\$2.910	325	55
Southern Natural	NGI	9/4/2018	\$2.910	525	89
Southern Natural	NGI	9/5/2018	\$2.880	480	74
Southern Natural	NGI	9/6/2018	\$2.810	550	85
Southern Natural	NGI	9/7/2018	\$2.790	531	75
Southern Natural	NGI	9/10/2018	\$2.830	512	92
Southern Natural	NGI	9/11/2018	\$2.870	262	52
Southern Natural	NGI	9/12/2018	\$2.890	361	65
Southern Natural	NGI	9/13/2018	\$2.870	417	62
Southern Natural	NGI	9/14/2018	\$2.780	549	83
Southern Natural	NGI	9/17/2018	\$2.910	646	99
Southern Natural	NGI	9/18/2018	\$3.000	404	72
Southern Natural	NGI	9/19/2018	\$3.010	614	85
Southern Natural	NGI	9/20/2018	\$2.910	445	69
Southern Natural	NGI	9/21/2018	\$2.950	317	42
Southern Natural	NGI	9/24/2018	\$3.020	392	51
Southern Natural	NGI	9/25/2018	\$3.080	551	79
Southern Natural	NGI	9/26/2018	\$3.090	375	47
Southern Natural	NGI	9/27/2018	\$3.000	503	59
Southern Natural	NGI	9/28/2018	\$2.980	483	73
Southern Natural	NGI	10/1/2018	\$3.105	654	89
Southern Natural	NGI	10/2/2018	\$3.175	580	90
Southern Natural	NGI	10/3/2018	\$3.290	550	81
Southern Natural	NGI	10/4/2018	\$3.270	716	109
Southern Natural	NGI	10/5/2018	\$3.140	449	75
Southern Natural	NGI	10/8/2018	\$3.285	430	69
Southern Natural	NGI	10/9/2018	\$3.315	400	64
Southern Natural	NGI	10/10/2018	\$3.280	295	51
Southern Natural	NGI	10/11/2018	\$3.140	542	78
Southern Natural	NGI	10/12/2018	\$3.095	411	91
Southern Natural	NGI	10/15/2018	\$3.195	486	77
Southern Natural	NGI	10/16/2018	\$3.225	481	82
Southern Natural	NGI	10/17/2018	\$3.290	428	62
Southern Natural	NGI	10/18/2018	\$3.220	300	58
Southern Natural	NGI	10/19/2018	\$3.200	316	55
Southern Natural	NGI	10/22/2018	\$3.185	511	90
Southern Natural	NGI	10/23/2018	\$3.240	466	83
Southern Natural	NGI	10/24/2018	\$3.310	546	87
Southern Natural	NGI	10/25/2018	\$3.245	425	65

Southern Natural	NGI	10/26/2018	\$3.120	531	76
Southern Natural	NGI	10/29/2018	\$3.130	442	65
Southern Natural	NGI	10/30/2018	\$3.170	396	68
Southern Natural	NGI	10/31/2018	\$3.205	647	108
Southern Natural	NGI	11/1/2018	\$3.215	597	84
Southern Natural	NGI	11/2/2018	\$3.130	452	69
Southern Natural	NGI	11/5/2018	\$3.435	743	91
Southern Natural	NGI	11/6/2018	\$3.475	449	69
Southern Natural	NGI	11/7/2018	\$3.510	578	75
Southern Natural	NGI	11/8/2018	\$3.565	574	92
Southern Natural	NGI	11/9/2018	\$3.745	855	119
Southern Natural	NGI	11/12/2018	\$3.855	725	97
Southern Natural	NGI	11/13/2018	\$4.005	1,002	142
Southern Natural	NGI	11/14/2018	\$4.505	904	121
Southern Natural	NGI	11/15/2018	\$4.520	614	76
Southern Natural	NGI	11/16/2018	\$4.265	827	116
Southern Natural	NGI	11/19/2018	\$4.530	616	99
Southern Natural	NGI	11/20/2018	\$4.600	832	113
Southern Natural	NGI	11/21/2018	\$4.625	744	111
Southern Natural	NGI	11/26/2018	\$4.240	906	121
Southern Natural	NGI	11/27/2018	\$4.295	959	118
Southern Natural	NGI	11/28/2018	\$4.390	1,019	138
Southern Natural	NGI	11/29/2018	\$4.470	1,148	143

Southeast, Transco Zone 4  
Natural Gas Intelligence Daily Gas Price Index  
From 8/31/18 - 11/29/18

Index Name	Publication	Trade Date	Price	Volume (1000 MMBTU)	# of Deals
Transco Zone 4	NGI	8/31/2018	\$2.920	1,354	215
Transco Zone 4	NGI	9/4/2018	\$2.950	2,635	382
Transco Zone 4	NGI	9/5/2018	\$2.930	2,319	303
Transco Zone 4	NGI	9/6/2018	\$2.830	1,252	189
Transco Zone 4	NGI	9/7/2018	\$2.800	1,861	267
Transco Zone 4	NGI	9/10/2018	\$2.860	1,852	233
Transco Zone 4	NGI	9/11/2018	\$2.890	2,203	287
Transco Zone 4	NGI	9/12/2018	\$2.900	1,715	232
Transco Zone 4	NGI	9/13/2018	\$2.870	1,416	181
Transco Zone 4	NGI	9/14/2018	\$2.780	1,374	178
Transco Zone 4	NGI	9/17/2018	\$2.930	2,003	246
Transco Zone 4	NGI	9/18/2018	\$3.020	2,628	336
Transco Zone 4	NGI	9/19/2018	\$3.060	2,521	316
Transco Zone 4	NGI	9/20/2018	\$2.960	1,608	212
Transco Zone 4	NGI	9/21/2018	\$2.980	925	129
Transco Zone 4	NGI	9/24/2018	\$3.050	1,589	230
Transco Zone 4	NGI	9/25/2018	\$3.100	1,648	215
Transco Zone 4	NGI	9/26/2018	\$3.110	1,473	198
Transco Zone 4	NGI	9/27/2018	\$3.000	1,513	217
Transco Zone 4	NGI	9/28/2018	\$3.005	1,458	220
Transco Zone 4	NGI	10/1/2018	\$3.100	1,897	274
Transco Zone 4	NGI	10/2/2018	\$3.195	2,000	283
Transco Zone 4	NGI	10/3/2018	\$3.300	1,927	266
Transco Zone 4	NGI	10/4/2018	\$3.300	1,866	287
Transco Zone 4	NGI	10/5/2018	\$3.115	1,747	235
Transco Zone 4	NGI	10/8/2018	\$3.320	1,375	184
Transco Zone 4	NGI	10/9/2018	\$3.345	1,531	200
Transco Zone 4	NGI	10/10/2018	\$3.325	786	128
Transco Zone 4	NGI	10/11/2018	\$3.145	1,000	141
Transco Zone 4	NGI	10/12/2018	\$3.140	1,408	193
Transco Zone 4	NGI	10/15/2018	\$3.250	952	129
Transco Zone 4	NGI	10/16/2018	\$3.280	1,274	211
Transco Zone 4	NGI	10/17/2018	\$3.320	946	153
Transco Zone 4	NGI	10/18/2018	\$3.240	832	138
Transco Zone 4	NGI	10/19/2018	\$3.215	826	146
Transco Zone 4	NGI	10/22/2018	\$3.220	1,289	168
Transco Zone 4	NGI	10/23/2018	\$3.270	1,477	223
Transco Zone 4	NGI	10/24/2018	\$3.330	2,308	293
Transco Zone 4	NGI	10/25/2018	\$3.280	1,627	209



Transco Zone 4	NGI	10/26/2018	\$3.125	841	132
Transco Zone 4	NGI	10/29/2018	\$3.140	943	159
Transco Zone 4	NGI	10/30/2018	\$3.180	1,365	202
Transco Zone 4	NGI	10/31/2018	\$3.195	1,849	274
Transco Zone 4	NGI	11/1/2018	\$3.205	1,348	212
Transco Zone 4	NGI	11/2/2018	\$3.130	1,584	218
Transco Zone 4	NGI	11/5/2018	\$3.430	1,857	250
Transco Zone 4	NGI	11/6/2018	\$3.485	1,765	209
Transco Zone 4	NGI	11/7/2018	\$3.530	1,710	225
Transco Zone 4	NGI	11/8/2018	\$3.575	1,935	239
Transco Zone 4	NGI	11/9/2018	\$3.765	2,776	367
Transco Zone 4	NGI	11/12/2018	\$3.880	2,353	314
Transco Zone 4	NGI	11/13/2018	\$4.045	2,366	321
Transco Zone 4	NGI	11/14/2018	\$4.540	2,633	340
Transco Zone 4	NGI	11/15/2018	\$4.475	2,072	265
Transco Zone 4	NGI	11/16/2018	\$4.250	2,318	339
Transco Zone 4	NGI	11/19/2018	\$4.545	1,521	214
Transco Zone 4	NGI	11/20/2018	\$4.645	2,139	303
Transco Zone 4	NGI	11/21/2018	\$4.625	1,416	234
Transco Zone 4	NGI	11/26/2018	\$4.260	2,593	344
Transco Zone 4	NGI	11/27/2018	\$4.360	2,043	280
Transco Zone 4	NGI	11/28/2018	\$4.400	2,234	336
Transco Zone 4	NGI	11/29/2018	\$4.460	2,107	326

Southeast, Transco Zone 5 South  
Natural Gas Intelligence Daily Gas Price Index  
From 8/31/18 - 11/29/18

Index Name	Publication	Trade Date	Price	Volume (1000 MMBTU)	# of Deals
Transco Zone 5 South	NGI	8/31/2018	\$3.040	771	108
Transco Zone 5 South	NGI	9/4/2018	\$3.210	950	112
Transco Zone 5 South	NGI	9/5/2018	\$3.090	544	78
Transco Zone 5 South	NGI	9/6/2018	\$2.920	429	74
Transco Zone 5 South	NGI	9/7/2018	\$2.910	793	117
Transco Zone 5 South	NGI	9/10/2018	\$2.960	659	91
Transco Zone 5 South	NGI	9/11/2018	\$3.000	652	76
Transco Zone 5 South	NGI	9/12/2018	\$2.990	544	80
Transco Zone 5 South	NGI	9/13/2018	\$2.930	650	93
Transco Zone 5 South	NGI	9/14/2018	\$2.830	409	76
Transco Zone 5 South	NGI	9/17/2018	\$3.120	1,510	176
Transco Zone 5 South	NGI	9/18/2018	\$3.380	1,312	171
Transco Zone 5 South	NGI	9/19/2018	\$3.160	878	118
Transco Zone 5 South	NGI	9/20/2018	\$3.070	653	83
Transco Zone 5 South	NGI	9/21/2018	\$3.050	386	68
Transco Zone 5 South	NGI	9/24/2018	\$3.140	605	77
Transco Zone 5 South	NGI	9/25/2018	\$3.190	488	78
Transco Zone 5 South	NGI	9/26/2018	\$3.170	434	74
Transco Zone 5 South	NGI	9/27/2018	\$3.050	348	58
Transco Zone 5 South	NGI	9/28/2018	\$3.075	435	63
Transco Zone 5 South	NGI	10/1/2018	\$3.180	610	92
Transco Zone 5 South	NGI	10/2/2018	\$3.300	889	129
Transco Zone 5 South	NGI	10/3/2018	\$3.420	833	123
Transco Zone 5 South	NGI	10/4/2018	\$3.410	877	116
Transco Zone 5 South	NGI	10/5/2018	\$3.185	515	73
Transco Zone 5 South	NGI	10/8/2018	\$3.420	611	68
Transco Zone 5 South	NGI	10/9/2018	\$3.395	406	52
Transco Zone 5 South	NGI	10/10/2018	\$3.365	285	38
Transco Zone 5 South	NGI	10/11/2018	\$3.130	140	29
Transco Zone 5 South	NGI	10/12/2018	\$3.135	177	30
Transco Zone 5 South	NGI	10/15/2018	\$3.315	182	38
Transco Zone 5 South	NGI	10/16/2018	\$3.350	368	80
Transco Zone 5 South	NGI	10/17/2018	\$3.410	335	50
Transco Zone 5 South	NGI	10/18/2018	\$3.290	143	31
Transco Zone 5 South	NGI	10/19/2018	\$3.285	219	41
Transco Zone 5 South	NGI	10/22/2018	\$3.320	383	59
Transco Zone 5 South	NGI	10/23/2018	\$3.360	408	59
Transco Zone 5 South	NGI	10/24/2018	\$3.435	471	82
Transco Zone 5 South	NGI	10/25/2018	\$3.370	468	73

Transco Zone 5 South	NGI	10/26/2018	\$3.205	260	35
Transco Zone 5 South	NGI	10/29/2018	\$3.240	286	51
Transco Zone 5 South	NGI	10/30/2018	\$3.265	497	73
Transco Zone 5 South	NGI	10/31/2018	\$3.250	460	91
Transco Zone 5 South	NGI	11/1/2018	\$3.255	377	64
Transco Zone 5 South	NGI	11/2/2018	\$3.180	349	48
Transco Zone 5 South	NGI	11/5/2018	\$3.480	345	58
Transco Zone 5 South	NGI	11/6/2018	\$3.515	459	75
Transco Zone 5 South	NGI	11/7/2018	\$3.600	388	65
Transco Zone 5 South	NGI	11/8/2018	\$3.660	223	46
Transco Zone 5 South	NGI	11/9/2018	\$4.085	723	110
Transco Zone 5 South	NGI	11/12/2018	\$4.035	555	90
Transco Zone 5 South	NGI	11/13/2018	\$4.325	1,071	175
Transco Zone 5 South	NGI	11/14/2018	\$5.085	838	156
Transco Zone 5 South	NGI	11/15/2018	\$4.520	621	94
Transco Zone 5 South	NGI	11/16/2018	\$4.410	566	89
Transco Zone 5 South	NGI	11/19/2018	\$4.665	512	82
Transco Zone 5 South	NGI	11/20/2018	\$4.905	646	120
Transco Zone 5 South	NGI	11/21/2018	\$4.780	574	92
Transco Zone 5 South	NGI	11/26/2018	\$4.950	1,162	175
Transco Zone 5 South	NGI	11/27/2018	\$5.600	1,091	200
Transco Zone 5 South	NGI	11/28/2018	\$4.510	865	144
Transco Zone 5 South	NGI	11/29/2018	\$4.545	647	118