

March 21, 2016

OVER-Production PROCEDURE

This procedure applies when there is over-production by Customers at NGTL receipt locations as defined by the following:

- 1) If during a receipt restriction aggregate measured receipt production is calculated to be in excess of the aggregate authorized nomination quantity. (“Over-production”),

and, or
- 2) Measured receipt production is calculated to be in excess of the stated NGTL meter station capacity. (“Over-production”)

Any upper-cased term not defined herein shall have the meaning given to it in the NGTL Gas Transportation Tariff (the “Tariff”).

If Over-production occurs and NGTL determines such Over-production may negatively impact operations of NGTL and/or of Customers, NGTL will implement the following procedures to ensure that fair and equitable service is provided to all Customers in the restricted area;

1. NGTL may post on its website¹ in the reports section the receipt points/area where Over-production occurs, and identify the Over-production quantities by date;
2. NGTL will notify the common stream operator (the “CSO”) of Over-production and require production to be reduced by a specified amount within a specified time period. NGTL will request that the CSO work with Customers at the receipt location to develop a plan to reduce Over-production. The CSO will provide the proposed plan to NGTL within the time period required by NGTL;
3. If Over-production continues at the receipt point, NGTL may escalate the request to Senior Officers of the CSO; and Firm Service contract holders.
4. If the Over-production continues after NGTL has communicated with Senior Officers, NGTL will notify the CSO and all active Customers at the receipt location that NGTL may take whatever steps it determines may be necessary to reduce the Over-production, including a safe and orderly shut-in of the meter station.

¹ <http://www.transcanada.com/customerexpress/ngtl.html>

² <http://www.transcanada.com/customerexpress/3174.html>

NGTL will not be liable to any Customer for any damages or losses (including loss of profits or revenue) a Customer may incur or sustain as a result of an Over-Producing Customer’s failure to reduce its Over-production.

NGTL may change procedures from time to time. Please refer to the Customer Express website to view current procedures.

For further information regarding the Over-Production Procedure as it pertains to over-production during periods of receipt restriction please contact, Graham Gent at (403) 920-6846 or Bill Webb at (403) 920-6840.

For further information regarding the Over-Production Procedure as it pertains to production in excess of meter station capacity, please contact Ron Kowch at (403) 920-7817.