



Ruby Pipeline, LLC

December 29, 2023

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, DC 20426

Re: Ruby Pipeline, LLC
Tariff General Terms and Conditions ("GT&C") Revisions
Capacity Bidding and Electronic Execution of Agreements
Docket No. RP24-____-000

Dear Secretary Bose:

Pursuant to Section 4 of the Natural Gas Act ("NGA")¹ and part 154 of the Federal Energy Regulatory Commission's ("Commission") regulations,² Ruby Pipeline, LLC ("Ruby") hereby submits for filing to become part of the Ruby FERC Gas Tariff, Original Volume No. 1 ("Tariff") the following revised tariff records (the "Proposed Tariff Records") with a requested effective date of January 29, 2024:

<u>Section</u>	<u>Version</u>
Part IV: GT&C	
Section 4.3 – Capacity Bidding and Evaluation Criteria	2.0.0
Section 4.7 – Electronic Execution of Agreements	5.0.0

Pursuant to Part 154 of the Commission's regulations, the following items are included in this filing:

1. An eTariff XML filing package containing the Proposed Tariff Records in electronic format;
2. A PDF file of the clean Proposed Tariff Records for posting in the Commission's eLibrary;
3. A PDF file of the marked Proposed Tariff Records for posting in the Commission's eLibrary; and
4. This transmittal letter.

Statement of the Nature, Reasons, and Basis for the Proposed Changes

Ruby is submitting the Proposed Tariff Records to: (1) promote consistency and transparency across various Tallgrass interstate natural gas pipelines associated with the process for bidding on and awarding capacity; and (2) align Ruby's electronic execution agreements provisions with those of other Tallgrass affiliates, such as Rockies Express Pipeline LLC ("Rockies Express"), Tallgrass Interstate Gas

¹ 15 USC § 717c.

² 18 CFR Part 154 (2023).

Transmission, LLC (“TIGT”), and Trailblazer Pipeline Company LLC (“Trailblazer”). The changes reflected in the Proposed Tariff Records may be categorized as follows:

A. GT&C Section 4.3 - Capacity Bidding and Evaluation Criteria

The Proposed Tariff Records include the following revisions to GT&C Section 4.3 of the Ruby Tariff (Capacity Bidding and Evaluation Criteria):

1. Interactive Auction Procedures.

Ruby proposes to add a new GT&C Section 4.3.1 to its Tariff to allow Ruby to hold interactive capacity auctions for firm and interruptible capacity. Interactive capacity auctions provide an additional tool for Ruby to efficiently market (and its customers to efficiently obtain) unsubscribed transportation capacity on Ruby’s system. Similar to provisions in place on other Tallgrass pipelines,³ as proposed, Ruby may utilize auction software to facilitate bidding for available capacity via real-time interaction with Shippers. The proposed auction procedures require adequate notice to prospective bidders, standardized bidding criteria, objective bid evaluation criteria, and transparent procedures regarding the process for execution of an agreement following an auction and award of capacity. Further, the proposed language requires Ruby: (1) to post certain winning bid details, such as the term, quantity, and, where applicable, net present value for each auction following the auction and award of capacity; and (2) protects Ruby and Shippers in instances where a Shipper that is awarded capacity fails to return an executed service agreement.

Ruby’s proposed interactive capacity auction procedures will not impact any existing holders of firm or interruptible capacity or override any other existing Tariff provisions. Moreover, the proposed procedures are consistent with procedures already approved by FERC for TIGT and other interstate natural gas pipelines and will facilitate the award of capacity to the party that values the capacity the most.⁴

2. Bidding For Firm Capacity Procedures & Timelines

Ruby proposes the following changes to incorporate more transparent and detailed “Bidding for Firm Capacity” procedures in line with similar provisions in the TIGT and Rockies Express Tariffs:

- In GT&C Section 4.3(c)(i),⁵ Ruby proposes to clarify that requests for service should be made in electronic form, and may include offers, requested price, term, and receipt and delivery point requests associated with capacity bids. The Commission has approved similar provisions in other interstate pipeline Tariffs, including TIGT.⁶

³ See, e.g., TIGT Tariff GT&C Section 3.1.1 and Trailblazer Tariff GT&C Section 3.2.

⁴ *Tallgrass Interstate Gas Transmission, LLC*, Letter Order Pursuant to § 375.307, Docket Nos. RP19-214-000 and RP19-214-001 (December 10, 2018). See also *Trailblazer Pipeline Company LLC*, 162 FERC ¶ 61,198 (2018); *Texas Gas Transmission, LLC*, 156 FERC ¶ 61,241 (2016).

⁵ Proposed Tariff Records, GT&C Section 4.3(c)(i).

⁶ See TIGT Tariff GT&C Section 3.1.G; Rockies Express Tariff GT&C Section 17.1.C.1.

- In GT&C Section 4.3(c)(ii),⁷ Ruby proposes to clarify that Ruby and a Shipper may mutually agree, on a not unduly discriminatory basis, to include an allowance for changes in MDQ (e.g., for seasonal service) in a bid and that Ruby may consider those changes in MDQ in its determination for awarding capacity. The Commission has approved similar provisions in other interstate pipeline Tariffs, including Rockies Express.⁸
- In existing GT&C Section 4.3(b)(i), (ii) and (iii), Ruby's Tariff specifies the earliest dates by which Ruby can process a service request, with the timelines varying based on the term of the service requested. Ruby is proposing to eliminate the "three month," "one month," and "ten business day" tiered timelines as unnecessarily burdensome, to be replaced with renumbered GT&C Section 4.3(c)(iii), which requires start of service no later than ninety days from the date of the service request, except in limited circumstances.⁹ Specifically, Ruby's replacement language would provide as follows, consistent with language found in Rockies Express existing Tariff: "Except as provided for herein, a valid request for firm capacity cannot be received more than ninety (90) Days prior to the commencement of service."¹⁰
- In GT&C Section 4.3(d), Ruby proposes to adopt a required minimum duration for notices of available capacity, based upon the term of the available capacity. Ruby's existing Tariff does not require a minimum notice period. Ruby's proposal would facilitate transparency and is consistent with the minimum bid durations in the Rockies Express Tariff.¹¹
- In GT&C Section 4.3(f), Ruby proposes transparency enhancements relating to prearranged transactions. Although Ruby already has authority to enter into prearranged transactions, the proposed changes would align Ruby's prearranged transaction provisions with that of other Tallgrass pipelines, including TIGT and Rockies Express, and would provide more clarity to Shippers.¹² These clarifications ensure that Shippers are aware of their rights in connection with prearranged capacity postings and the methodology for evaluating bids received during the bid period, including any prearranged party matching rights.
- In GT&C Section 4.3(g), Ruby clarifies that it is not obligated to accept a request or bid for less than the maximum applicable Tariff rate, and that any bid that includes a reservation rate that is higher than Transporter's currently effective maximum applicable Tariff rate or based on a percentage of Transporter's maximum applicable Tariff rate shall be evaluated by Transporter based solely on the maximum applicable Tariff rate being charged by Transporter for such service as of the end of the open season. These bid criteria can be used in existing open season

⁷ Proposed Tariff Records, GT&C Section 4.3(c)(ii).

⁸ See *e.g.*, Section 17.1.C.2 of Rockies Express's FERC Gas Tariff.

⁹ Ruby is not proposing to change the existing exceptions to this requirement, which would be renumbered to GT&C Section 4.3(c)(iv).

¹⁰ See *e.g.*, Rockies Express GT&C Section 17.1.C.3.

¹¹ See Section 17.1(F) of Rockies Express's FERC Gas Tariff, Third Revised Volume No. 1.

¹² See TIGT Tariff GT&C Section 3.1C; Rockies Express Tariff GT&C Section 17.1.E.

postings but would be more transparent if incorporated directly into Ruby's Tariff, as similar language is included in other Tallgrass pipeline Tariffs.¹³

3. Alternative Capacity Award Criteria

Ruby proposes to add Tariff language to allow Ruby to award capacity based upon the terms and conditions posted in an open season. At present, Ruby is not permitted to deviate from use of NPV as a basis for awarding capacity, since existing GT&C Section 4.3(e) of the Ruby Tariff provides that "Transporter will award the capacity on a net present value basis using nondiscriminatory and objective posting and evaluation criteria specified in the notice of open season." Consistent with Commission precedent and provisions in place on other interstate pipelines, Ruby proposes to modify Tariff GT&C Section 4.3 to add flexibility to use methods other than NPV for awarding capacity. Ruby proposes to modify this Section as follows:

Transporter will award the capacity on a net present value basis using nondiscriminatory and objective posting and evaluation criteria specified in the notice of open season *or such other method as may be defined by Transporter in the notice of open season. Transporter shall include in the open season posting the criteria to be considered as part of the bid evaluation methodology, the weighting to be given such criteria, and any tiebreaking provisions.*

The Commission allows interstate pipelines, including TIGT and Rockies Express,¹⁴ to use alternative methods for awarding open season capacity where the capacity posting clearly states the alternate methodology to be used, including any applicable calculations and criteria weighting. Further, the Proposed Tariff Records would require Ruby to post certain winning bid details, such as the term, quantity, and, where applicable, NPV following the award of capacity, which will provide Shippers with additional transparency around alternative capacity award procedures.

B. GT&C Section 4.7(d) – Electronic Execution of Agreements

The Proposed Tariff Records include a revision to GT&C Section 4.7 of the Ruby Tariff (Electronic Execution of Agreements) to allow short-term paperless transactions, which would streamline Ruby's contracting as it relates to providing short-term transportation service.

For transactions of an abbreviated duration, the administrative process associated with executing a pro forma Transportation Services Agreement is cumbersome and time consuming. To create administrative efficiencies, Ruby is proposing to amend the Tariff to allow transactions of thirty-one (31) days or less, upon mutual agreement of the parties, to be "paperless" – to be governed by the agreed-upon terms of service, the applicable unexecuted pro forma Transportation Services Agreement, the

¹³ *Rockies Express Pipeline LLC*, Letter Order Pursuant to § 375.307, Docket No. RP18-229-000 (December 22, 2017).

¹⁴ See e.g., TIGT Tariff GT&C Section 3.1.C (noting that all bids shall be evaluated by NPV "or other method as may be defined by Transporter in an open season. Transporter shall include in the open season posting the criteria to be considered as part of the bid evaluation methodology and the weighting to be given to such criteria."); *Tallgrass Interstate Gas Transmission, LLC*, Letter Order Pursuant to § 375.307, Docket No. RP19-282-000 (November 28, 2018) (accepting the relevant language).

applicable rate schedule, and the GT&C of the Ruby Tariff. A summary of any negotiated rate agreement terms would be filed with the Commission, consistent with precedent requiring disclosure of negotiated rate agreement terms. The Commission has approved a similar process for Rockies Express and its customers.¹⁵

Procedural Matters

Pursuant to the Commission's regulations, Ruby is submitting this filing via electronic filing. Ruby requests that the Commission grant all waivers of its regulations necessary for the Proposed Tariff Sections to become effective on January 29, 2024. If the Commission suspends the Proposed Tariff Sections, Ruby hereby moves to place the accepted Proposed Tariff Sections into effect at the end of the suspension period, if any, specified in the Commission order permitting the proposed changes to go into effect without change. If the Commission directs Ruby to change any aspect of Ruby's proposal prior to these Proposed Tariff Sections becoming effective, Ruby reserves the right to file a later motion to place the Proposed Tariff Sections into effect.

In compliance with 18 CFR § 154.204(f), Ruby states that it has no other filings that may significantly affect the Proposed Tariff Records tendered in this proceeding.

Ruby requests that all Commission orders and correspondence as well as pleadings and correspondence by other parties concerning this filing be served on each of the following:

L. Drew Cutright
Vice President, Regulatory Affairs
Tallgrass Energy, LP
370 Van Gordon Street
Lakewood, CO 80228
303-763-3438
drew.cutright@tallgrass.com

Janna Romaine Chesno
Assistant General Counsel
Tallgrass Energy, LP
370 Van Gordon Street
Lakewood, CO 80228
720-442-8862
janna.chesno@tallgrass.com

A copy of this filing is being served on Ruby's customers and all interested state commissions. A copy of this filing is also available for inspection during regular business hours at Ruby's office in Lakewood, Colorado.

Certification

The signature on this filing constitutes a certification that: (1) I have read the filing; (2) to the best of my knowledge and belief, the statements and information contained herein are true and correct; and (3) I possess full power and authority to sign this filing.

¹⁵ Rockies Express GT&C Section 1 (Agreement Definition, approved in Docket No. RP21-1203-000, Letter Order pursuant to § 375.307 (October 20, 2021)).

Kimberly D. Bose, Secretary

December 29, 2023

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "L. Drew Cutright". The signature is stylized and cursive.

L. Drew Cutright

Vice President, Regulatory Affairs

Tallgrass Energy, LP

Authorized Representative of Ruby Pipeline, LLC

4. REQUESTS FOR SERVICES

4.3 Capacity Bidding and Evaluation Criteria.

- (a) A Shipper bidding for released firm capacity from another Shipper must follow the procedures of Section 9.
- (b) Transporter may grant requests for firm service, either on a first-come-first-served basis or through an open season or interactive auction, on a not unduly discriminatory basis.
- (c) Bidding for Firm Capacity.
 - (i) A party desiring to obtain firm capacity from Transporter (by prearrangement or by bidding in an open season posted for competitive bidding) must submit a request for the service by electronic means. Parties are free to offer any price, designate any term, and request any available receipt and/or delivery points. All bids in an open season shall be binding on the bidding party(s).
 - (ii) Transporter may agree, on a not unduly discriminatory basis, to include allowances for changes in MDQ (e.g., for seasonal service), during the term of the bid, in party's capacity bid. For prearranged capacity or parties submitting bids in an open season, which include changes in MDQ, Transporter, in its determination for awarding capacity, will consider the changes in its award calculations.
 - (iii) Except as provided for herein, a valid request for firm capacity cannot be received more than ninety (90) Days prior to the commencement of service.
 - (iv) Transporter will consider, on a not unduly discriminatory basis, requests for firm service outside of the above specified time periods if the request involves any of the following conditions:
 - A. The request is associated with an open season;
 - B. The request involves capacity that is available due to the termination of an existing contract or the reduction of contracted volume under an existing contract;
 - C. The request is for the next season of winter-time only capacity, pursuant to Section 2.5 of Rate Schedule FT; or
 - D. The request involves the modification or construction of facilities or the issuance of any necessary certificate authorization.

- (d) Should Transporter conduct an open season, it will post a notice of availability of the uncontracted-for capacity on its EBB to afford all potential Shippers an opportunity to acquire the capacity. Transporter will post the notice of open season on the EBB for a period of at least three (3) Business Days for capacity being offered for a term of greater than one (1) Month and post for a period of at least one (1) hour for capacity being offered for a term of one (1) Month or less. Any party wishing to purchase the capacity, and who meets Transporter's creditworthiness requirements, may participate in the open season. Transporter shall post after-the-fact the NPV, term, and quantity of the winning bid for each open season.
- (e) Transporter will award capacity on a net present value basis using nondiscriminatory and objective posting and evaluation criteria specified in the notice of open season or such other method as may be defined by Transporter in the notice of open season. Transporter shall include in the open season posting the criteria to be considered as part of the bid evaluation methodology, the weighting to be given such criteria, and any tiebreaking provisions. When an open season is being conducted, all applicable requests for service will be treated under this open season process.
- (f) Transporter may pre-arrange with any party for the sale of its posted available firm capacity. Transporter will post the prearranged transaction on its EBB for a period of three (3) Business Days for capacity being offered for a term of greater than one (1) Month and for a period of at least one (1) hour for capacity being offered for a term of one (1) Month or less. For prearranged transactions, other parties may submit competing bids for capacity prearranged by Transporter during the bid period. All bids shall be evaluated according to the terms and the NPV method or other method as may be defined by Transporter in an open season. If no higher offer is received during the bid period, the prearranged party shall receive the capacity. If a higher offer is received, the prearranged party will be permitted to match the offer and receive the capacity from Transporter. If the prearranged party does not elect to match the highest offer, the party making the highest offer will be awarded the capacity.
- (g) Transporter is not obligated to accept any request or bid that is for less than the maximum applicable Tariff rate. A bid that includes a reservation rate that is higher than Transporter's currently effective maximum applicable Tariff rate or based on a percentage of Transporter's maximum applicable Tariff rate shall be evaluated by Transporter based solely on the maximum applicable Tariff rate being charged by Transporter for such service as of the end of the open season.
- (h) Transporter will conduct an open season (involving either an open offer to sell capacity or a pre-arranged transaction) if it wishes to sell capacity where the requested start date extends one year or more into the future. The open season will comply with the requirements of Section 4.3(d) above.

- (i) If Transporter sells firm capacity pursuant to Section 4.3(c)(iv)A, that capacity will be made available to other shippers on an interim basis up to the commencement date of the prospective firm TSA. Where the requested start date of the prospective capacity extends more than one year into the future and the interim capacity would otherwise be eligible for the ROFR if it is acquired at the maximum applicable tariff rate, Transporter will limit the ROFR rights of such interim capacity. If ROFR rights are limited, the TSA will note the limitation.

4.3.1 Interactive Auction Procedures

- (a) In addition to the open season procedures set forth in the Tariff, Transporter may auction unsubscribed capacity via its EBB pursuant to requests for 1) firm capacity in Section 4.3 or 2) interruptible capacity under the provisions of the applicable interruptible rate schedule.
- (b) Transporter shall post the auction notice on its EBB at least 24 hours prior to the commencement of the bidding period for Capacity available for a term of one (1) Month or less and at least three (3) Business Days prior to the commencement of the bidding period for Capacity available for a term of greater than one (1) Month or for prearranged capacity.
- (c) Bidding and Awarding on Discounted Capacity:
 - (i) During the Bid Period as stated in the auction notice, bids and revisions which increase existing bids may be submitted. A bid must include the rate and the MDQ. The posted MDQ may not be increased and the posted term may not be changed. All bids are considered binding upon receipt by Transporter; however, a bidder may withdraw its bid prior to the close of the Bid Period. If a bidder withdraws a bid, it is precluded from submitting a bid for the capacity in subsequent Bid Periods.
 - (ii) The bid that offers the highest per Dekatherm rate for some or all of each primary pair MDQ shall be deemed to be the "best bid."

If the auction is pursuant to an Internet notice posted by Transporter on its EBB, Transporter shall enter into an Agreement with the Shipper that submitted the "best bid."

If the auction is pursuant to a request for capacity, the "best bid" for each primary point pair MDQ will be presented to the Shipper submitting the original service request ("Original Shipper"). The Original Shipper will have the opportunity to match the "best bid" before 4:00 p.m. CCT of the second Business Day following the close of the Bid Period. If the Original Shipper timely matches the "best bid" or if no "best bid" is submitted, Transporter shall enter into an agreement with this original Shipper. If the

original Shipper does not match the "best bid," Transporter shall enter into an Agreement with the Shipper that submitted the "best bid."

- (iii) Transporter may apply a bid evaluation procedure which modifies or is different than set forth in this Section pursuant to the auction notice. Transporter shall include in the auction posting the criteria to be considered as part of the bid evaluation methodology and the weighting to be given such criteria.
- (d) Bidding and Awarding on Recourse Rate Requests:
 - (i) During the Bid Period as stated in the auction notice, bids which increase the requested/minimum term by at least monthly increments may be submitted. A bid must include the term and may include a lesser MDQ. The posted MDQ cannot be increased. All bids are considered binding upon receipt by Transporter; however, a bidder may withdraw its bid prior to the close of the Bid Period. If a bidder withdraws a bid, it is precluded from submitting a bid for a lesser term.
 - (ii) The bid that offers the longest agreement term shall be deemed to be the "best bid."

If the auction is pursuant to an Internet notice posted by Transporter on its EBB, Transporter shall enter into an agreement with the Shipper that submitted the "best bid."

If the auction is pursuant to a Request for Service, the "best bid" for each primary point pair MDQ will be presented to the Original Shipper. The Original Shipper will have the opportunity to match the "best bid" before 4:00 p.m. CCT of the second Business Day following the close of the Bid Period. If the original Shipper timely matches the "best bid" or if no "best bid" is submitted, Transporter shall enter into an agreement with this original Shipper. If the original Shipper does not match the "best bid," Transporter shall enter into an agreement with the Shipper that submitted the "best bid."

- (iii) Transporter may apply a bid evaluation procedure which modifies or is different than set forth in this Section pursuant to the auction notice. Transporter shall include in the auction posting the criteria to be considered as part of the bid evaluation methodology and the weighting to be given such criteria.
- (e) Execution of Agreement:

The Shipper awarded capacity in (c) or (d) above is required to execute an

agreement within two (2) Business Days of its tender by Transporter if the agreement term is two (2) years or less or within five (5) Business Days if the agreement term is greater than two (2) years, notwithstanding the agreement must be executed at least one (1) Day prior to the effective date of the agreement. If the Shipper fails or refuses to execute the agreement within the applicable time period, the Shipper shall forfeit all rights and entitlement to the subject capacity and may be precluded from participation in future auctions. The capacity will be offered to the bidder with the next highest bid (as defined herein) and such bidder, if they accept the offer, will be required to execute an agreement as provided in this section. Any Shipper who fails to timely execute an agreement will be required to pay Transporter an amount equal to any positive price difference between the best bid when the capacity is resold and the price established in the Shipper's best bid multiplied by the MDQ provided in Shipper's best bid.

- (f) **Winning Bid.** Transporter shall post after-the-fact the NPV, term, and quantity of the winning bid for each auction.

4. REQUESTS FOR SERVICES

- 4.7 Electronic Execution of Agreements - For all TSAs (including all Park & Loan Agreements, Park and Loan Service Request Orders, SS-1 Agreements, and HSP Agreements and amendments to existing agreements) entered into on or after the effective date of this tariff provision (all of which shall be referred to as TSAs for purposes of this Section 4.7), Transporter and Shipper may execute such TSAs electronically or by signing a traditional paper agreement. If Shipper elects to sign a traditional paper agreement, then Shipper shall not submit nominations while the paper TSA is pending execution. For TSAs requiring filing with the Commission, Transporter may submit either electronic or traditional paper TSAs.
- (a) The TSA shall be deemed to be executed by Shipper when the Shipper accepts the TSA electronically via Transporter's EBB. The TSA shall be deemed to be executed by Transporter when Transporter accepts the Shipper's TSA using the EBB. Upon acceptance by both Shipper and Transporter, the TSA will be deemed fully executed. A TSA that is executed in this manner shall be deemed to have been "signed" and to constitute an "original" when printed from electronic files or records.
 - (b) Notwithstanding the above, if the Shipper and Transporter electronically execute a TSA and the Shipper later requests a traditional paper TSA, the electronic TSA shall be deemed the original until the paper TSA is executed by both parties.
 - (c) If a TSA contains provisions that must be reviewed by the Commission and the TSA is not accepted by the Commission, then Transporter and Shipper shall collaborate to remedy any deficiencies.
 - (d) For TSAs with a term of thirty-one (31) days or less, upon mutual agreement of the parties, the agreed-upon terms of service, the applicable unexecuted pro forma TSA, the applicable rate schedule, and the General Terms and Conditions shall constitute the executed TSA for purposes of this Tariff.

4. REQUESTS FOR SERVICES

4.3 Capacity Bidding and Evaluation Criteria.

- (a) A Shipper bidding for released firm capacity from another Shipper must follow the procedures of Section 9.
- (b) Transporter may grant requests for firm service, either on a first-come-first-served basis or through an open season or; interactive auction, on a not unduly discriminatory basis.

(c) Bidding for Firm Capacity.

- (i) A party desiring to obtain firm capacity from Transporter (by prearrangement or by bidding in an open season posted for competitive bidding) must submit a request for the service by electronic means. Parties are free to offer any price, designate any term, and request any available receipt and/or delivery points. All bids in an open season shall be binding on the bidding party(s).
- (ii) Transporter may agree, on a not unduly discriminatory basis, to include allowances for changes in MDQ (e.g., for seasonal service), during the term of the bid, in party's capacity bid. For prearranged capacity or parties submitting bids in an open season, which include changes in MDQ, Transporter, in its determination for awarding capacity, will consider the changes in its award calculations. ~~within the following time periods and subject to the below listed conditions:~~
 - ~~(i) For service with a term of one year or longer, the service must be requested to begin no later than three Months from the date the request is granted;~~
 - ~~(ii) For service with a term greater than three Months but less than one year, the service must be requested to begin no later than one Month from the date the request is granted;~~
 - ~~(iii) For service with a term of three Months or less, the service must be requested to begin no later than ten Business Days from the date the request is granted. Except as provided for herein, a valid request for firm capacity cannot be received more than ninety (90) Days prior to the commencement of service.~~
- (ive) Transporter will consider, on a not unduly discriminatory basis, requests for firm service outside of the above specified time periods if the request involves any of the following conditions:

- ~~A.(i)~~ The request is associated with an open season;
- ~~B.(ii)~~ The request involves capacity that is available due to the termination of an existing contract or the reduction of contracted volume under an existing contract;
- ~~C.(iii)~~ The request is for the next season of winter-time only capacity, pursuant to Section 2.5 of Rate Schedule FT; or
- ~~D.(iv)~~ The request involves the modification or construction of facilities or the issuance of any necessary certificate authorization.

~~4. REQUESTS FOR SERVICES~~

~~4.3 Capacity Bidding and Evaluation Criteria (continued)~~

- (d) Should Transporter conduct an open season, it will post a notice of availability of the uncontracted-for capacity on its EBB to afford all potential Shippers an opportunity to acquire the capacity. Transporter will post the notice of open season on the EBB for a period of at least three (3) Business Days for capacity being offered for a term of greater than one (1) Month and post for a period of at least one (1) hour for capacity being offered for a term of one (1) Month or less. Any party wishing to purchase the capacity, and who meets Transporter's creditworthiness requirements, may participate in the open season. Transporter shall post after-the-fact the NPV, term, and quantity of the winning bid for each open season.
- (e) Transporter will award ~~the~~ capacity on a net present value basis using nondiscriminatory and objective posting and evaluation criteria specified in the notice of open season or such other method as may be defined by Transporter in the notice of open season. Transporter shall include in the open season posting the criteria to be considered as part of the bid evaluation methodology, the weighting to be given such criteria, and any tiebreaking provisions. When an open season is being conducted, all applicable requests for service will be treated under this open season process.
- (fe) Transporter may pre-arrange with any party for the sale of its posted available firm capacity. Transporter will post the prearranged transaction on its EBB for a period of three (3) Business Days for capacity being offered for a term of greater than one (1) Month and for a period of at least one (1) hour for capacity being offered for a term of one (1) Month or less. For prearranged transactions, other parties may submit competing bids for capacity prearranged by Transporter during the bid period. All bids shall be evaluated according to the terms and the NPV method or other method as may be defined by Transporter in an open season. If no higher offer is received during the bid period, the prearranged party shall receive the capacity. If a higher offer is received, the prearranged party will be permitted to

match the offer and receive the capacity from Transporter. If the prearranged party does not elect to match the highest offer, the party making the highest offer will be awarded the capacity.

- (g) Transporter is not obligated to accept any request or bid that is for less than the maximum applicable Tariff rate. A bid that includes a reservation rate that is higher than Transporter's currently effective maximum applicable Tariff rate or based on a percentage of Transporter's maximum applicable Tariff rate shall be evaluated by Transporter based solely on the maximum applicable Tariff rate being charged by Transporter for such service as of the end of the open season.
- (h) Transporter will conduct an open season (involving either an open offer to sell capacity or a pre-arranged transaction) if it wishes to sell capacity where the requested start date extends one year or more into the future. The open season will comply with the requirements of Section 4.3(d) above.
- (if) If Transporter sells firm capacity pursuant to Section 4.3(c)(iv)A, that capacity will be made available to other shippers on an interim basis up to the commencement date of the prospective firm TSA. Where the requested start date of the prospective capacity extends more than one year into the future and the interim capacity would otherwise be eligible for the ROFR if it is acquired at the maximum applicable tariff rate, Transporter will limit the ROFR rights of such interim capacity. If ROFR rights are limited, the TSA will note the limitation.

4.3.1 Interactive Auction Procedures

- (a) In addition to the open season procedures set forth in the Tariff, Transporter may auction unsubscribed capacity via its EBB pursuant to requests for 1) firm capacity in Section 4.3 or 2) interruptible capacity under the provisions of the applicable interruptible rate schedule.
- (b) Transporter shall post the auction notice on its EBB at least 24 hours prior to the commencement of the bidding period for Capacity available for a term of one (1) Month or less and at least three (3) Business Days prior to the commencement of the bidding period for Capacity available for a term of greater than one (1) Month or for prearranged capacity.
- (c) Bidding and Awarding on Discounted Capacity:
 - (i) During the Bid Period as stated in the auction notice, bids and revisions which increase existing bids may be submitted. A bid must include the rate and the MDQ. The posted MDQ may not be increased and the posted term may not be changed. All bids are considered binding upon receipt by Transporter; however, a bidder may withdraw its bid prior to the close of

the Bid Period. If a bidder withdraws a bid, it is precluded from submitting a bid for the capacity in subsequent Bid Periods.

- (ii) The bid that offers the highest per Dekatherm rate for some or all of each primary pair MDQ shall be deemed to be the "best bid."

If the auction is pursuant to an Internet notice posted by Transporter on its EBB, Transporter shall enter into an Agreement with the Shipper that submitted the "best bid."

If the auction is pursuant to a request for capacity, the "best bid" for each primary point pair MDQ will be presented to the Shipper submitting the original service request ("Original Shipper"). The Original Shipper will have the opportunity to match the "best bid" before 4:00 p.m. CCT of the second Business Day following the close of the Bid Period. If the Original Shipper timely matches the "best bid" or if no "best bid" is submitted, Transporter shall enter into an agreement with this original Shipper. If the original Shipper does not match the "best bid," Transporter shall enter into an Agreement with the Shipper that submitted the "best bid."

- (iii) Transporter may apply a bid evaluation procedure which modifies or is different than set forth in this Section pursuant to the auction notice. Transporter shall include in the auction posting the criteria to be considered as part of the bid evaluation methodology and the weighting to be given such criteria.

(d) Bidding and Awarding on Recourse Rate Requests:

- (i) During the Bid Period as stated in the auction notice, bids which increase the requested/minimum term by at least monthly increments may be submitted. A bid must include the term and may include a lesser MDQ. The posted MDQ cannot be increased. All bids are considered binding upon receipt by Transporter; however, a bidder may withdraw its bid prior to the close of the Bid Period. If a bidder withdraws a bid, it is precluded from submitting a bid for a lesser term.

- (ii) The bid that offers the longest agreement term shall be deemed to be the "best bid."

If the auction is pursuant to an Internet notice posted by Transporter on its EBB, Transporter shall enter into an agreement with the Shipper that submitted the "best bid."

If the auction is pursuant to a Request for Service, the "best bid" for each primary point pair MDQ will be presented to the Original Shipper. The

Original Shipper will have the opportunity to match the "best bid" before 4:00 p.m. CCT of the second Business Day following the close of the Bid Period. If the original Shipper timely matches the "best bid" or if no "best bid" is submitted, Transporter shall enter into an agreement with this original Shipper. If the original Shipper does not match the "best bid," Transporter shall enter into an agreement with the Shipper that submitted the "best bid."

(iii) Transporter may apply a bid evaluation procedure which modifies or is different than set forth in this Section pursuant to the auction notice. Transporter shall include in the auction posting the criteria to be considered as part of the bid evaluation methodology and the weighting to be given such criteria.

(e) Execution of Agreement:

The Shipper awarded capacity in (c) or (d) above is required to execute an agreement within two (2) Business Days of its tender by Transporter if the agreement term is two (2) years or less or within five (5) Business Days if the agreement term is greater than two (2) years, notwithstanding the agreement must be executed at least one (1) Day prior to the effective date of the agreement. If the Shipper fails or refuses to execute the agreement within the applicable time period, the Shipper shall forfeit all rights and entitlement to the subject capacity and may be precluded from participation in future auctions. The capacity will be offered to the bidder with the next highest bid (as defined herein) and such bidder, if they accept the offer, will be required to execute an agreement as provided in this section. Any Shipper who fails to timely execute an agreement will be required to pay Transporter an amount equal to any positive price difference between the best bid when the capacity is resold and the price established in the Shipper's best bid multiplied by the MDQ provided in Shipper's best bid.

(f) Winning Bid. Transporter shall post after-the-fact the NPV, term, and quantity of the winning bid for each auction.

4. REQUESTS FOR SERVICES

- 4.7 Electronic Execution of Agreements - For all TSAs (including all Park & Loan Agreements, Park and Loan Service Request Orders, SS-1 Agreements, and HSP Agreements and amendments to existing agreements) entered into on or after the effective date of this tariff provision (all of which shall be referred to as TSAs for purposes of this Section 4.7), Transporter and Shipper may execute such TSAs electronically or by signing a traditional paper agreement. If Shipper elects to sign a traditional paper agreement, then Shipper shall not submit nominations while the paper TSA is pending execution. For TSAs requiring filing with the Commission, Transporter may submit either electronic or traditional paper TSAs.
- (a) The TSA shall be deemed to be executed by Shipper when the Shipper accepts the TSA electronically via Transporter's EBB. The TSA shall be deemed to be executed by Transporter when Transporter accepts the Shipper's TSA using the EBB. Upon acceptance by both Shipper and Transporter, the TSA will be deemed fully executed. A TSA that is executed in this manner shall be deemed to have been "signed" and to constitute an "original" when printed from electronic files or records.
 - (b) Notwithstanding the above, if the Shipper and Transporter electronically execute a TSA and the Shipper later requests a traditional paper TSA, the electronic TSA shall be deemed the original until the paper TSA is executed by both parties.
 - (c) If a TSA contains provisions that must be reviewed by the Commission and the TSA is not accepted by the Commission, then Transporter and Shipper shall collaborate to remedy any deficiencies.
 - (d) For TSAs with a term of thirty-one (31) days or less, upon mutual agreement of the parties, the agreed-upon terms of service, the applicable unexecuted pro forma TSA, the applicable rate schedule, and the General Terms and Conditions shall constitute the executed TSA for purposes of this Tariff.