

LDC SEGMENT CAPACITY ALLOCATION AND BILLING PROPOSAL  
8/2/2002

5.3.z51 Recall quantities should be expressed in terms of daily units.

5.2.z52 The Allocated Daily Contractual Entitlement is the amount of capacity allocated to the releasing and replacement shipper pursuant to a capacity recall.

5.3.z53 The methodology for allocating capacity between the releasing shipper and the replacement shipper for recalls at the intraday 1 and intraday 2 cycles should reflect the nature of differences between Transportation Service Providers (TSP) tariff, services and operational characteristics. As the basis for this capacity allocation, the TSP should choose from either of the following methodologies:

- Prorata
- Elapsed Prorated Scheduled Quantity

The hourly flexibility available to either the releasing shipper or the replacement shipper should not be less, as a result of the recall, than what is otherwise made available by the TSP. To retain this flexibility, the TSP can propose modifications to its chosen capacity allocation methodology.

5.3.z54 Under a Prorata intraday capacity allocation methodology, the maximum capacity available for recall equals  $1/24^{\text{th}}$  times the release quantity multiplied by the number of hours between the effective time of recall and the end of the gas day.

5.3.z55 Under an Elapsed Prorated Scheduled Quantity intraday capacity allocation methodology, the maximum capacity available for recall equals the release quantity less the total quantity scheduled under the Replacement Shipper(s) service agreement(s) for capacity originally released by the Releasing Shipper, times  $1/24^{\text{th}}$ , multiplied by the number of hours between the effective time of recall and the start of the gas day.

5.3.z56 Whichever capacity allocation methodology is used to allocate capacity between the releasing shipper and the replacement shipper for recalls at the intraday 1 and intraday 2 cycles, the amount of capacity available to the replacement shipper should equal the original release quantity less the recall quantity.

5.1.z57 Whichever capacity allocation methodology is used to allocate capacity between the releasing shipper and the replacement shipper for recalls at the intraday 1 and intraday 2 cycles, notice of each shipper's Allocated Daily Capacity Entitlement should be provided in a manner that will permit affected parties sufficient time to place nominations or take other corrective actions to avoid penalties.

3.3.z58 Whichever capacity allocation methodology is used to allocate capacity between the releasing shipper and the replacement shipper for recalls at the intraday 1 and intraday 2 cycles, the reservation charge quantity billed to each shipper, if not a volumetric release, should equal each shipper's Allocated Daily Capacity Entitlement.

3.3.z59 Whichever capacity allocation methodology is used to allocate capacity between the releasing shipper and the replacement shipper for recalls at the intraday 1 and intraday 2 cycles, overrun charges, if applicable, should be based upon each shipper's Allocated Daily Capacity Entitlement.