

**WOLVERINE PIPE LINE COMPANY  
PRORATION**

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**[N] I. Pipeline Proration Policy -- Wolverine Pipe Line Company (Carrier) -- For Movements on the Extension Line**

**A. PURPOSE OF THIS PRORATION POLICY**

There may be times when Carrier in its sole discretion determines that its capacity on the Extension Line is not sufficient to transport the full volume of nominated volumes submitted to it by shippers. If increased capacity is not readily available, a method to provide equitable proration of capacity to shippers will be utilized. The purpose of this document is to describe Carrier's method.

**B. DEFINITIONS**

1.) **Extension Line** - The segment of Carrier's pipeline system from Niles, MI to Ferrysburg, MI, including destinations at Holland and Grand Haven, MI.

2.) **Prorated Segment** – the Extension Line.

3.) **Regular Shipper** - a "Regular Shipper" is any Shipper who began shipping through a prorated segment subsequent to or during the first month of the Base Period. Shippers will lose their Regular Shipper status when they have not shipped on Carrier for a period of 12 consecutive months.

4.) **New Shipper** - a "New Shipper" is any Shipper other than a Regular Shipper. A New Shipper shall become a Regular Shipper twelve (12) months after the month in which the New Shipper begins shipping through a prorated segment.

5.) **Base Period** - the period commencing on the first day of the month that is 13 months prior to the month during which proration is to occur and extending through the last day of the second month preceding the prorated month.

6.) **Base Shipment Ratio** - the Gasoline Equivalent volume delivered for a Shipper through the prorated segment during the Base Period divided by the total Gasoline Equivalent volume delivered for all Shippers through the prorated segment during the Base Period.

7.) **Gasoline Equivalent** - the gasoline equivalent pertains to pumping characteristics of a product as compared to gasoline/diluent. Nominated volumes will be recalculated and capacity will be allocated on the basis of gasoline/diluent equivalent barrels. The gasoline equivalent factor shall be 1.00 for gasoline/diluent and 1.33 for distillates.

8.) **Multiple Shipper Accounts** - separate accounts for all companies that are affiliated with a single parent company. For the purpose of implementing this proration policy, more than fifty percent (50%) ownership by the parent company shall constitute an affiliate.

### C. VALID NOMINATIONS

Carrier does not permit over-nominating. In order that estimated capacity may be prorated among shippers without discrimination, shippers shall submit valid and realistic nominations and schedules of shipments, which do not exceed either the volume of Refined Product expected to be available for shipment, or Carrier's estimated capacity.

If Carrier reasonably believes that a shipper:

- a) Has nominated an amount of Refined Product that exceeds the volume of Refined Product which will actually be available at the point of origin,
- b) Has previously withdrawn all or part of an accepted nomination from Carrier without acceptance by Carrier of such decreased nomination,
- c) Has nominated the same Refined Product to Carrier and to one or more other carriers,
- d) Has failed to comply with Carrier's Rules and Regulations, or
- e) Has failed to provide Carrier with required information in a timely manner:

Then, Carrier reserves the right to take any of the following actions

- 1) Require an affidavit from shipper stating under oath that the nomination is valid.
- 2) Reduce shipper's nomination to an amount Carrier believes to be the amount of Refined Product, which will actually be available at the point of origin for the nomination.
- 3) Reject the entire nomination for the nomination period.

### D. PRORATION PROCEDURES

1.) **Proration** - The nominated volumes for each Regular Shipper and New Shipper shall be totaled and divided into the capacity of the Prorated Segment. The resultant fraction will be the "Proration Factor". If the proration factor is one (1) or greater, no proration is needed. If proration is needed, the capacity of the Prorated Segment will be initially allocated separately for New Shippers and Regular Shippers.

2.) **New Shipper Proration** - Five percent (5%) of the Prorated Segment's capacity will be reserved for New Shippers. The nominated volumes for each New Shipper shall be totaled and divided into 5% of the capacity of the Prorated Segment. The resultant fraction will be the "New Shipper Proration Factor". If the New Shipper Proration Factor is one (1) or greater, no proration is needed for the New Shipper class and each New Shipper shall be allocated their nominated volume. If the New Shipper Proration Factor is less than one (1), each New Shipper's allocated volume shall be equal to their nominated volume multiplied by the New Shipper Proration Factor.

3.) **Regular Shipper Proration** - The remaining capacity shall be allocated among Regular Shippers in proportion to their Base Shipment Ratio.

4.) In the event any Regular Shipper is allocated more capacity than its nominated volume, the excess of its allocation over its nominated volume will be reallocated among all other Regular Shippers in proportion to their Base Shipment Ratio until all of the excess has been distributed to other Regular Shippers or all of the Regular Shippers have been allocated a volume equal to their nominations.

5.) If additional capacity exists in either class of Shippers after the application of Items D.1 through D.4 above, then such additional capacity will be allocated to the other class of Shippers on the appropriate allocation basis. Nothing in this proration policy shall require the Carrier's total allocations to be less than the available capacity.

6.) In order to discourage and prevent a New Shipper from inflating its nominations, a New Shipper's space allocation for the next proration month will be reduced by a volume equal to the volume of nominated capacity not utilized in the last preceding prorated month. In addition, if the prorated segment is restricted because of a Shipper's inability to meet Carrier's pumping and delivery rates, a volume equal to the volume of nominated capacity not utilized will be deducted from that Shipper's succeeding month's allocation. The allocation reductions will not exceed the Shipper's allocation, so any excess reductions will be carried forward to the next proration month.

7.) If a Shipper releases or is otherwise unable to use any or all of its allocated volume, Carrier will notify all the remaining Shippers of the available space and will redistribute the space on a first-come, first-serve basis.

**8.) Hypothetical Examples of Pipeline Proration Policy**

Base information:

All volumes listed in barrels per day

Prorated Segment's Capacity = 200,000 barrels per day

New Shipper Capacity = 5% of 200,000 = 10,000 barrels per day

**a.) New Shippers nominate a total of 15,000 (greater than 5% of capacity); Regular Shippers nominate a total of 200,000 (greater than 95% of capacity).**

Shipper	Nominated Volume	Proration Factor	Allocated Volume
New1	5,000	.6667	3,333
New2	<u>10,000</u>	.6667	<u>6,667</u>
<b>Totals</b>	<b>15,000</b>		<b>10,000</b>

	Nominated Volume	Base Shipment Ratio	Allocated Volume
Reg1	50,000	.2400	45,600
Reg2	60,000	.3000	57,000
Reg3	<u>90,000</u>	.4600	<u>87,400</u>
<b>Totals</b>	<b>200,000</b>		<b>190,000</b>

**b.) New Shippers nominate a total of 6,000 (less than 5% of capacity); Regular Shippers nominate a total of 200,000 (greater than 95% of capacity).**

<b>Shipper</b>	<b>Nominated Volume</b>	<b>Proration Factor</b>	<b>Allocated Volume</b>
New1	2,000	Not applicable	2,000
New2	<u>4,000</u>	Not applicable	<u>4,000</u>
<b>Totals</b>	<b>6,000</b>		<b>6,000</b>

	<b>Nominated Volume</b>	<b>Base Shipment Ratio</b>	<b>Allocated Volume</b>
Reg1	50,000	.2400	46,560
Reg2	60,000	.3000	58,200
Reg3	<u>90,000</u>	.4600	<u>89,240</u>
<b>Totals</b>	<b>200,000</b>		<b>194,000</b>

**c.) New Shippers nominate a total of 20,000 (greater than 5% of capacity); Regular Shippers nominate a total of 185,000 (less than 95% of capacity).**

<b>Shipper</b>	<b>Nominated Volume</b>	<b>Proration Factor</b>	<b>Allocated Volume</b>
New1	10,000	.5000	5,000
New2	<u>10,000</u>	.5000	<u>5,000</u>
<b>Totals</b>	<b>20,000</b>		<b>10,000</b>

	<b>Nominated Volume</b>	<b>Base Shipment Ratio</b>	<b>Allocated Volume</b>
Reg1	45,000	.2400	45,600
Reg2	50,000	.3000	57,000
Reg3	<u>90,000</u>	.4600	<u>87,400</u>
<b>Totals</b>	<b>185,000</b>		<b>190,000</b>

**Note that shippers Reg1 and Reg2 were allocated a total of 7,600 more than their total nominated volume, 2,600 of which shall be redistributed to Reg3 shipper, with the balance of 5,000 redistributed between the New Shippers. The adjusted allocations are as follows:**

<b>Shipper</b>	<b>Nominated Volume</b>	<b>Proration Factor</b>	<b>Allocated Volume</b>
New1	10,000	.5000	7,500
New2	<u>10,000</u>	.5000	<u>7,500</u>
<b>Totals</b>	<b>20,000</b>		<b>15,000</b>

	<b>Nominated Volume</b>	<b>Base Shipment Ratio</b>	<b>Allocated Volume</b>
Reg1	45,000	.2400	45,000
Reg2	50,000	.3000	50,000
Reg3	<u>90,000</u>	.4600	<u>90,000</u>
<b>Totals</b>	<b>185,000</b>		<b>185,000</b>

## **E. GENERAL**

1.) All Shippers will continue to submit nominations for each subsequent month in accordance with Carrier's applicable tariff rules and regulations.

2.) In no event shall a New Shipper utilize any portion of its nominated/prorated volume in any manner that will increase the volume allocation of any other Shipper. Carrier shall have the right to require a written assurance, executed by a responsible officer of a Shipper, concerning a Shipper's use of its nominated/prorated volume. The written assurance shall contain a statement on behalf of the Shipper that the provisions of this requirement have not been violated.

3.) In the event any Shipper shall, by any device, scheme, or arrangement whatsoever, make available to another Shipper, or in the event any Shipper shall receive and use any space from a Shipper through violation of this requirement, the allocated volume for both Shippers will be reduced to the extent of the excess volume so made available or used. Carrier shall have the right to make these reductions any time after it becomes aware that such a violation has taken place.

4.) Except as provided in this item, allocated volumes may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper. However, a Shipper's shipment history may be transferred as an incident of the bona fide sale of substantially all of the Shipper's business or to a successor to substantially all of the Shipper's business. Transfers of a Shipper's shipment history must be approved in advance by Carrier and shall be irrevocable once the transfer is approved.

5.) For the purpose of allocating capacity, Carrier shall consolidate the transportation history and nominations of all accounts for Shippers who have Multiple Shipper Accounts. Nothing in this item will allow a Shipper to receive a capacity allocation greater than the total allocated capacity that such Shipper would be entitled to if all of its transportation history was consolidated in one Shipper account.

6.) Carrier may allocate capacity on a different equitable basis during an emergency period.

7.) Carrier shall use reasonable business efforts to notify each Shipper of its allotted capacity within five (5) business days after the date that nominations are due. If necessary, Shipper will have five (5) business days after receiving such notification to resubmit its nominations to reduce its nominated volume to be equal to or less than its capacity. If allocated Shipper fails to reduce its nominations, Carrier will refuse to accept product for the Shipper once the Shipper's allotted capacity has been used.

8.) Nothing in this policy is intended to preclude a Shipper from conforming to the minimum batch size requirements as stated in Carrier's tariff rules and regulations. To the extent practical, Carrier will work with the Shippers on an equitable basis with regard to meeting the minimum batch sizes.

## **[N] II. Pipeline Proration Policy -- Wolverine Pipe Line Company (Carrier) -- Detroit Metro System and Spartan System**

### **A. PURPOSE OF THIS PRORATION POLICY**

There may be times when Wolverine determines the capacity on the Detroit Metro System and/or the Spartan System is not sufficient to transport the full volume of nominated volumes submitted to it by shippers. If increased capacity is not readily available, Wolverine will prorate capacity in accordance with these procedures.

### **B. DEFINITIONS**

"Affiliate" means, with respect to any legal entity, any other legal entity that (a) Owns or Controls the first legal entity, (b) is Owned by or Controlled by the first legal entity or (c) is under common Ownership or Control with the first legal entity.

"Allocation Percentage" of a Regular Shipper means the number of barrels per day that is equal to the product of (a) the available capacity described in Step D.5 below multiplied by that Regular Shipper's Allocation Ratio.

"Allocation Ratio" means the ratio that a Regular Shipper's Average Daily Volume for the Base Period bears to the Average Daily Volume for all Regular Shippers for that Base Period.

"Average Daily Volume" means the average of a Regular Shipper's volumes received by Wolverine into the Prorated Segment during the Base Period.

"Base Period" means the 12-month period commencing on the first day of the month that is 13 months prior to the month during which proration is to occur and extending through the last day of the second month preceding the prorated month. For example, if proration occurs in February 2018, the Base Period will be January 1, 2017 through December 31, 2017.

"BPD" or "bpd" means barrels per day.

"Committed Volume" means, with respect to a TSA Shipper, the daily committed volume of Products set out in Schedule A to the TSA Shipper's TSA during the term of such TSA.

"Control" means, as used with respect to any legal entity, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such legal entity, whether through the ownership of voting securities, by contract or otherwise.

"Detroit Metro System" means Wolverine's pipeline system, including Wolverine's defined origins or receipt points to, and through, the Detroit Metro Access Project pipeline segment of Wolverine's pipeline system to its defined delivery point, but excluding the Extension Line and the Spartan System.

"Extension Line" means the segment of Carrier's pipeline system from Niles, MI to Ferrysburg, MI, including destinations at Holland and Grand Haven, MI.

"Gasoline Equivalent" means the gasoline equivalent pumping characteristics of a product as it compares to gasoline. Nominated volumes will be normalized and capacities allocated based on gasoline equivalent volumes. Gasoline equivalent factors shall be 1.00 for gasoline & diluent and 1.33 for distillates (distillates require more system capacity relative to gasoline).

"Monthly Volume" means the Committed Volume of a TSA Shipper multiplied by the number of days in the relevant month (or partial month).

"New Shipper" means any shipper on the Detroit Metro System or Spartan System other than a Regular Shipper or TSA Shipper, except as set forth in this definition. A TSA Shipper will not be a New Shipper to the extent of its Monthly Volume, or to the extent of any volume over its Monthly Volume for which TSA Shipper qualifies as a Regular Shipper. A Regular Shipper, including a TSA Shipper who also qualifies as a Regular Shipper pursuant to the last sentence, shall be a New Shipper to the extent it nominates volumes on the Detroit Metro System or Spartan System, as applicable, in a month in excess of the Regular Shipper's Base Period volume.

"Owns" or "Ownership" means ownership of fifty percent (50%) or more of the equity interests or rights of distribution on account of equity of a Person.

"Products" means Petroleum Products as such term is defined in Wolverine's rate tariff.

"Prorated Segment" means any pipeline segment or segments of the Detroit Metro System or Spartan System that Wolverine declares to be in prorationing. Any pipeline segment of the Detroit Metro System or Spartan System that Wolverine declares to be a "prorated segment" shall be treated as a separate entity with regard to the application of the definitions of a "Regular Shipper" and "New Shipper", as defined in this section.

"Regular Shipper" means any shipper who shipped on the Prorated Segment during each month of the Base Period. Shippers will lose their Regular Shipper status when they have not shipped on the Detroit Metro System or Spartan System, as applicable, for a period of 12 consecutive months. A TSA Shipper will not be a Regular Shipper to the extent of its Monthly Volume but will be a Regular Shipper with respect to its Average Daily Volume of actual shipments on the Detroit Metro System or Spartan System, as applicable, that exceed its Monthly Volume in each month of the Base Period.

"Selected Origin Point" means, with respect to a TSA Shipper, an origin point selected by such TSA Shipper in Schedule A to its TSA.

"Spartan System" means Wolverine's pipeline system, including Wolverine's defined origins or receipt points, beginning at Jackson, MI and terminating at Bay City, MI.

"TSA" means a Transportation Service Agreement based on the Open Season for the Detroit Metro System that commenced on January 30, 2015.

"TSA Shipper" means a shipper who executed a TSA, excluding any shipper whose rights to be treated as a TSA Shipper under this proration policy have been terminated under its TSA.

"TSA Shipper Delivery Point" means Woodhaven, Michigan.



“Wolverine” means Wolverine Pipe Line Company.

## C. VALID NOMINATIONS

- 1 Wolverine does not permit over-nominating. In order that capacity may be prorated among shippers without discrimination, shippers shall submit valid and realistic nominations and schedules of shipments, which do not exceed either the volume of Products expected to be available for shipment, or the system capacity.2. If Wolverine reasonably believes that a shipper:
  - a. has nominated an amount of Products that exceeds the volume of Products the shipper will actually have available at the point of origin,
  - b. has previously withdrawn all or part of an accepted nomination from Wolverine without acceptance by Wolverine of such decreased nomination,
  - c. has nominated the same Products to Wolverine and to one or more other carriers,
  - d. has failed to comply with the applicable, posted Wolverine Rules and Regulations Tariff, or
  - e. has failed to provide Wolverine with required information in a timely manner,

then Wolverine reserves the right to take any of the following actions:

- a. require an affidavit from the shipper stating under oath that the nomination is valid,
- b. reduce the shipper's nomination to an amount Wolverine believes to be the amount of Products that such shipper will actually have available at the point of origin for the shipment, and that such will not exceed the capacity of the prorated system,
- c. reject the entire nomination for the nomination period, or
- d. limit the volume of Products accepted by Wolverine from the shipper in each of the next three (3) months in which the line is apportioned to not more than the volume of Products received by Wolverine from such shipper in the month of proration.

## D. PRORATION PROCEDURES

During any month when nominations to a Prorated Segment exceed the available capacity of such Prorated Segment, as determined by Wolverine, Wolverine shall allocate the available capacity of such Prorated Segment as follows:

1. If the Prorated Segment is subject to Monthly Volumes, TSA Shippers that nominated their Monthly Volumes from their Selected Origin Points to the TSA Shipper Delivery Point will be allocated their aggregate Monthly Volumes up to a total of 81,000 bpd or, if less, their nominated volumes.<sup>1</sup>
2. If the Prorated Segment is subject to Monthly Volumes, but less than 81,000 bpd of capacity of the Prorated Segment is allocated under step 1, the remaining portion of such 81,000 bpd of capacity will be allocated to the Monthly Volumes of TSA Shippers that are nominated from origin points other than their Selected Origin Points to the TSA Shipper Delivery Point or, if less, the nominated volume of such TSA Shippers, or, if less, the operational capability of such origin point.
3. If the available capacity of the Prorated Segment is reduced below its design capacity as a result of force majeure or otherwise, the 81,000 bpd referenced in steps 1 and 2 above will be reduced to the number of bpd that is equal to the ratio of the available capacity that 81,000 bpd bears to the design capacity of the Prorated Segment.
4. Up to ten percent (10%) of the available capacity of the Prorated Segment remaining after steps 1, 2 and 3 above will be allocated to New Shippers, if any, on a pro rata basis. If the allocation calculation applicable to New Shippers in a given month results in no New Shipper being allocated a monthly minimum volume of 10,000 barrels, as required in Wolverine's Rules and Regulations Tariff, then Wolverine will administer a lottery using a software-generated random process for the total number of monthly minimum volume allocations available to New Shippers. A New Shipper will not be allocated capacity through the lottery process if it is (i) an Affiliate of a Regular Shipper; or (ii) an Affiliate of another shipper who received an allocation through the lottery process. Detailed procedures regarding Wolverine's lottery process are as follows:
  - a. Wolverine will use a random number generating software to randomly assign each New Shipper a number from one to the number representing the total number of New Shippers participating in the lottery (i.e., if there are thirty New Shippers, numbers one through thirty will be assigned).
  - b. The New Shipper with the number closest to one will receive the first monthly minimum volume allocation. This process of assigning monthly minimum volume allocations to the New Shipper with the number closest to one will continue until up to five percent (5%) of the available capacity has been allocated to New Shippers.
  - c. Following the lottery, Wolverine will notify New Shippers as to whether or not they were allocated capacity in that month. Unsuccessful New Shippers will

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<sup>1</sup> If the actual design capacity of the Detroit Metro Access Project is less than 90,000 bpd, all references in this Part D to 81,000 bpd will be reduced to 90% of the actual design capacity.

be notified within two (2) business days that they will not receive an allocation.

5. All remaining available capacity of the Prorated Segment not allocated through the application of steps 1, 2, 3 and 4 will be allocated to Regular Shippers based on the lesser of their respective Allocation Percentages or their nominated volumes.
6. If, prior to the first day of the nomination month, a shipper releases or is otherwise unable to use any or all of its allocated volume, or if there is available capacity following the application of steps 1, 2, 3, 4 and 5 Wolverine will notify all shippers, whose nominations have not been satisfied, of the available space and will redistribute the space on a non-discriminatory basis with priority given first to their respective shipper class to meet minimum TSA Shipper, Regular Shipper and New Shipper allocation levels. If no shipper(s) within the class are able to provide replacement nomination volumes, priority will be given to satisfy unallocated nominations of shippers not satisfying minimum batch requirements after pro-ration adjustments to monthly nominations. If allocations to shippers nominations not satisfying minimum batch requirements after pro-ration adjustment are satisfied without replacement from within the shipper's class(es) or replacement allocation is not available from the shipper class(es), allocation priority will be given first to TSA Shippers and next to Regular Shippers.
7. If after the first day of the nomination month, a shipper releases or is otherwise unable to use any or all of its allocated volume, Wolverine will notify all the remaining, TSA Shippers, Regular Shippers and New Shippers of the available space and will redistribute the space on a first-come, first-serve basis.
8. If the Detroit Metro System is restricted because of the inability of a Regular Shipper or New Shipper to meet Wolverine's pumping and delivery rates, a volume equal to the volume of nominated capacity not utilized will be deducted from that shipper's succeeding month's allocation. The allocation reductions will not exceed the shipper's allocation, so any excess reductions will be carried forward to the next proration month.
9. In order to discourage an Uncommitted Shipper from inflating its nominations, such Uncommitted Shipper's allocation for the next proration month will be reduced by a volume equal to the volume of allocated capacity not utilized in the preceding prorated month. In addition, if an Uncommitted Shipper does not use allocated capacity of a Prorated segment because shipper does not meet Carrier's pumping and delivery rates, a volume equal to the volume of allocated capacity not utilized will be deducted from that shipper's allocation in the next Proration month. The allocation reductions will not exceed the shipper's allocation, so any excess reductions will be carried forward to the next proration month.

## **E. GENERAL**

1. Wolverine shall have the right to require a written assurance, executed by a responsible officer of the shipper, concerning that shipper's use of its nominated/prorated volume. The written assurance shall contain a statement on behalf of the shipper that the provisions of this Proration Policy have not been violated.

2. In the event any shipper shall, by any device, scheme or arrangement whatsoever, make available to another shipper, or in the event any shipper shall receive and use any space from a shipper through violation of this Proration Policy, the allocated volume for both shippers will be reduced to the extent of the excess volume so made available or used. Wolverine shall have the right to make these reductions any time after it becomes aware that such violation(s) has/have taken place.
3. Except as provided in this item, allocated volumes may not be assigned, conveyed, loaned, transferred to, or used in any manner by another shipper.
4. Wolverine may allocate capacity on a different equitable basis during an emergency period.
5. Nothing in this policy is intended to preclude a shipper from conforming to the minimum batch size requirements as stated in Wolverine's Rules and Regulations Tariff. To the extent practical, Wolverine will work with shippers on an equitable basis with regard to meeting the minimum batch sizes.

**EXAMPLE 1 - Base Period volume NOT established on Mainline system to Woodhaven (less than 13 months from commencement of service)**

- >Total available gasoline capacity on the Mainline is ~150 kbd if gasoline (90 kbd available for project capacity)
- >Total nominated volume is 160 kbd (for the month) and includes nominations of 105 kbd (85 kbd + 20 kbd) to Woodhaven
- >Since Base Period is not yet established on the Mainline to Woodhaven, all monthly nominations by non-TSA shippers is considered New Shipper volume
- >TSA Shipper B nominated volume from an Origin Point ("Alpha") not selected/submitted on Schedule A and with delivery to Woodhaven
- >Capacity from Origin "Alpha" adequate to enable Shipper B nomination
- >All nominations normalized to gasoline equivalents

Shipper Name	Total <sup>1</sup> Average Daily Volume during Base Period (kbd)	Monthly Committed Volume (kbd)	Monthly Nomination (kbd)	Monthly Committed Volume Allocation (kbd)	Regular Shipper		New Shipper		Total Allocation (kbd)	Capacity Allocation %
					Nominated Volume for Pro-ration (kbd)	Allocation Volume for Pro-ration (kbd)	Nomination Volume for Pro-ration (kbd)	Allocation <sup>3</sup> Volume for Pro-ration (kbd)		
TSA Shipper "A" Selected Origin Pt. "Alpha" to Woodhaven	0.0	35.0	40.0	35.0	0.0	0.0	5.0	3.6	38.6	25.7%
TSA Shipper "B" > Selected Origin Point "Beta" to Woodhaven	0.0	15.0	20.0	15.0	0.0	0.0	5.0	3.6	18.6	12.4%
> Selected Origin Point "Delta" to Woodhaven	0.0	25.0	20.0	20.0	0.0	0.0	0.0	0.0	20.0	13.3%
> Origin Point "Alpha" to Woodhaven (not a Selected Origin Point by Shipper B)	0.0	0.0	5.0	5.0 <sup>2</sup>	0.0	0.0	0.0	0.0	5.0	3.3%
<b>Sub-totals</b>		75.0	85.0	75.0	0.0	0.0	10.0	7.1	82.1	54.8%
Regular Shipper "C" service to Jackson	30.0	0.0	35.0	0.0	30.0	30.0	5.0	3.6	33.6	22.4%
Regular Shipper "D" service to Stockbridge	20.0	0.0	20.0	0.0	20.0	20.0	0.0	0.0	20.0	13.3%
<b>Sub-totals</b>	50.0	0.0	55.0	0.0	50.0	50.0	5.0	3.6	53.6	35.7%
New Shipper "E" service to Woodhaven	0.0	0.0	12.0	0.0	0.0	0.0	12.0	8.6	8.6	5.7%
New Shipper "F" service to Woodhaven	0.0	0.0	8.0	0.0	0.0	0.0	8.0	5.7	5.7	3.8%
								0.0	0.0	0.0%
<b>Sub-totals</b>	0.0	0.0	20.0	0.0	0.0	0.0	20.0	14.3	14.3	9.5%
<b>Totals</b>	0.0	75.0	160.0	75.0	50.0	50.0	35.0	25.0	150.0	100.0%

**EXAMPLE 2 - Base Period volume established on all segments including Mainline system to Woodhaven (13 months or greater from commencement of service)**

- >Total available gasoline capacity on the Mainline is ~150 kbd (90 kbd available for project capacity)
- >Total nominated volume is 200 kbd (for the month) and includes nominations of 105 kbd to Woodhaven
- >TSA Shipper B nominated volume from an Origin Point ("Alpha") not selected/submitted on Schedule A
- >Capacity from Origin "Alpha" adequate to enable Shipper B nomination
- >Monthly nomination volume by TSA Shippers is greater than Monthly Committed Volume but less than their Base Period volume is considered as Regular Shipper volume
- >Monthly nomination volume by TSA Shippers and Regular Shippers that is greater than their Base Period volume is considered as New Shipper volume
- >Since the nomination total is greater than Mainline gasoline capacity, priority is first given to Monthly Committed Volume, then Regular Shipper volume, then New Shipper volume. The minimum New Shipper classified volume is 10% of available capacity after Monthly Committed Volume is satisfied [ie. 7.5 kbd = (150 kbd - 75 kbd) x 10%]
- >The example reflects New Shipper classified volume totals 22 kbd (30%) which is greater than 10% available non-priority capacity.

Shipper Name	Total <sup>1</sup> Average Daily Volume during Base Period	Monthly Committed Volume (kbd)	Monthly Nomination (kbd)	Monthly Committed Volume Allocation (kbd)	Regular Shipper		New Shipper		Total Allocation (kbd)	Capacity Allocation %
					Nominated Volume for Pro-ration (kbd)	Allocation Volume for Pro-ration (kbd)	Nomination Volume for Pro-ration (kbd)	Allocation <sup>3</sup> Volume for Pro-ration (kbd)		
TSA Shipper "A" Selected Origin Pt. "Alpha" to Woodhaven	37.0	35.0	55.0	35.0	2.0	2.0	18.0	5.5	42.5	28.3%
TSA Shipper "B" > Selected Origin Point "Beta" to Woodhaven	16.0	15.0	25.0	15.0	1.0	1.0	9.0	2.8	18.8	12.5%
> Selected Origin Point "Delta" to Woodhaven	28.0	25.0	20.0	20.0	0.0	0.0	0.0	0.0	20.0	13.3%
> Origin Point "Alpha" to Woodhaven (not a Selected Origin Point by Shipper B)	0.0	0.0	5.0	5.0 <sup>2</sup>	0.0	0.0	0.0	0.0	5.0	3.3%
<b>Sub-totals</b>		75.0	105.0	75.0	3.0	3.0	27.0	8.3	86.3	57.5%
Regular Shipper "C" service to Jackson	30.0	0.0	45.0	0.0	30.0	30.0	15.0	4.6	34.6	23.1%
Regular Shipper "D" service to Stockbridge	20.0	0.0	30.0	0.0	20.0	20.0	10.0	3.1	23.1	15.4%
<b>Sub-totals</b>	50.0	0.0	75.0	0.0	50.0	50.0	25.0	7.6	57.6	38.4%
New Shipper "E" service to Woodhaven	0.0	0.0	12.0	0.0	0.0	0.0	12.0	3.7	3.7	2.4%
New Shipper "F" service to Woodhaven	0.0	0.0	8.0	0.0	0.0	0.0	8.0	2.4	2.4	1.6%
								0.0	0.0	0.0%
<b>Sub-totals</b>	0.0	0.0	20.0	0.0	0.0	0.0	20.0	6.1	6.1	4.1%
<b>Totals</b>	0.0	75.0	200.0	75.0	53.0	53.0	72.0	22.0	150.0	100.0%

**Note<sup>1</sup>**: Total Average Daily Volume includes total average volume of all shipper classes of volume over the Base Period

**Note<sup>2</sup>**: Actual shipped volume from origins not selected by shipper on Schedule A may be used to satisfy shipper commitments. However, TSA Shipper nominations from origin points not originally identified by TSA Shipper as a Selected Origin point are subject to the operational capability of such origin point. Relief from Monthly Volume commitments will not be provided due to pro-ration from an Origin Point not selected by TSA Shipper as a Selected Origin Point.

**Note<sup>3</sup>**: New Shipper allocation includes capacity allocated under D4 and D6.