

## Predetermined allocations information

Viking Gas Transmission (VGT) currently utilizes operational balancing agreements (OBA's) to allocate gas at all interconnects. When a balancing agreement is in place, the two parties on both sides of the meter agree to recognize the confirmed, scheduled DKT nomination as the actual allocated volume. The difference between the confirmations and the actual flow is then maintained as an OBA imbalance between the two interconnecting parties. OBA imbalances at interconnects with pipelines are paid back "in kind" through future scheduling/flow adjustments. OBA imbalances with interconnects that are not interstate pipelines fall under our rate schedule LMSMA for delivery points and LMSPA for receipt points, and LMS contracts are entered into. All imbalances on LMSMA and LMSPA contracts are cashed out each month per the terms of our tariff.

As an example, with a total nomination of 40,000 and actual flow of 43,546:

|                  | <u>Nomination</u> | <u>Allocated</u> | <u>Imbalance</u> |
|------------------|-------------------|------------------|------------------|
| Shipper A (firm) | 20,000            | 20,000           | 0                |
| Shipper B (firm) | 15,000            | 15,000           | 0                |
| Shipper C (IT)   | 5,000             | 5,000            | 0                |
| OBA Imbalance    | <u>0</u>          | <u>3,546</u>     | <u>3,546</u>     |
| Total            | <u>40,000</u>     | <u>43,546</u>    | <u>3,546</u>     |

If you have any questions on Viking Gas Transmission's predetermined allocation methods, please contact:

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