

## Enterprise Lou-Tex NGL Pipeline L.P. Allocation Procedures

### 5 Definitions

Carrier – Enterprise Lou-Tex NGL Pipeline, L.P., a Texas Limited Partnership.

Product – Any of the following hydrocarbon mixtures:

- (a) Ethane,
- (b) Ethane-propane mix (G-grade),
- (c) Raw Mix (Y-Grade),
- (d) Propane (P-Grade),
- (e) Refinery Grade Propylene,
- (f) Isobutane (I-grade),
- (g) Commercial butane,
- (h) Isom Grade normal butane (D-grade)
- (i) Refinery grade normal butane
- (j) Butane-gasoline mix (BG-grade) and
- (k) Natural Gasoline (M-grade)

meeting Deliverability Requirements defined in the "Enterprise Lou-Tex NGL Pipeline, L.P. tariff" dated 12/1/00 and meeting the specifications as published and distributed by Carrier in "Enterprise Lou-Tex NGL Pipeline, L.P. Product Specifications" dated 12/1/00, which shall be provided upon request. Product may include Purity Product or Mixed Product. Carrier reserves the right to amend and modify specifications.

New Shipper – a Shipper that is not a Regular Shipper. A Shipper that becomes a New Shipper shall remain one for 12 consecutive calendar months.

Regular Shipper - a Shipper that a) has transported Product through the system within the 12-month period preceding the first day of the month in which the system is allocated or a portion of the system is allocated, and b) first transported Product through the system more than 12 months prior to the first day of the month in which the system is allocated.

Shipper – Any party who transports Product under the provisions set forth in the "Enterprise Lou-Tex NGL Pipeline, L.P. tariff" dated 12/1/00.

Shipment – A volume of Product transported by Carrier from a point of origin through Carrier's system to designated delivery locations.

### 10 Institution of Allocating Capacity

When the total volume of all Products offered for shipment on Carrier's facilities, in accordance with the procedures for scheduling shipments, is greater than can be transported within the period covered by such schedules, then the product offered by each

Shipper, including any new Shipper, for transportation will be transported in such quantities and at such times, to the limit of the Carrier's normal operating capacity, so as to avoid unjust discrimination or undue preference among Shippers and to satisfy the legal and regulatory requirements of government agencies having jurisdiction over Carrier. These rules and regulations outlined below shall not apply to either any capacity on the Carrier's system which may be created and made available to Shippers due to the introduction of routing capabilities or any nominations by Shippers relating to such new routing capabilities. The Shipper must have such allocated volumes of Product available at the pressure and flow rate required by the Carrier at the time Product is scheduled to be shipped, or the Shipper may lose such allocated volume.

#### 15 Division of Capacity between Shipper Classes

Except as provided in paragraphs 40 and 45 of these procedures, allocated capacity shall be divided between Regular Shippers as a class and New Shippers as a class.

#### 20 Availability of Capacity to Regular Shippers

After the adjustment for New Shippers, as provided in paragraphs 30 and 35, all remaining capacity plus any pour-over capacity (as determined in accordance with paragraph 40) plus any unused allocated capacity (as determined in accordance with paragraph 50) shall be available to Regular Shippers who have nominated volumes for that month.

#### 25 Allocation to Each Regular Shipper

Each Regular Shipper shall be allocated a volume of the capacity available to all Regular Shippers that is equal to a fraction. The numerator of the fraction is the total volume of Product transported by that Shipper in a specific direction into the Carrier's system during the 12 months preceding the first day of the month for which the Shipper's allocation is being calculated. The denominator of the fraction is the total volume of Product transported in the same direction during such 12-month period by all Regular Shippers. The fraction is then multiplied by the total capacity available to all Regular Shippers during that month.

#### 30 Availability of Capacity to New Shippers

Not more than 5 percent of the total available allocated capacity of the Carrier's system or portion thereof shall be made available to New Shippers.

#### 35 Allocation to Each New Shipper

Each New Shipper shall be allocated a volume of the capacity available to all New Shippers that is equal to the lesser of a) 5 percent of the total available allocated capacity of the Carrier's system or portion thereof divided by the number of New Shippers who nominated volumes for transportation into the system or portion thereof during the month

for which the allocation is being calculated, or b) 1.25 percent of the available capacity of the system or portion thereof. In the event that the allocated volume of a New Shipper is less than the minimum tender, shipment will be accumulated with other like Product at a given origin and shipped with a Fungible Batch of Product once the volume exceeds the minimum tender.

#### 40 Pour-over Capacity

Any amount of allocated capacity, which is available to New Shippers under the rules of paragraphs 30 and 35 but is not nominated by an eligible New Shipper, shall be deemed "Pour-over Capacity" and shall be made available to Regular Shippers in accordance with the rules in paragraphs 20 and 25 above.

#### 45 Basis for Allocation: Notification

When allocating of the capacity of the Carrier's system or portion thereof is in effect:

- 1) The Carrier's available capacity shall be allocated among eligible Shippers on a monthly basis, and
- 2) The Carrier shall use reasonable efforts to notify each Shipper entitled to an allocation of capacity of the amount of its allocation not later than the first working day of the month for which the allocation is made.

#### 50 Reallocation of Unused Allocated Capacity

If, during a month of allocation, a Shipper fails to use all of its allocated capacity, such unused capacity shall be available to other Shippers as follows:

- a) Unused allocated capacity resulting from a Regular Shipper's failure to use all of its allocated capacity shall be reallocated among other Regular Shippers in accordance with paragraph 25,
- b) Unused allocated capacity resulting from a New Shipper's failure to use all of its allocated capacity shall be reallocated among other New Shippers in accordance with paragraph 35. If, however, the reallocation would cause any New Shipper's total allocation for a month to exceed 1.25 percent of the available capacity for that month, such excess shall be treated as unused allocated capacity and shall be reallocated among Regular Shippers in accordance with the rules in subparagraph a) of this paragraph.

#### 55 Failure to Use Allocated Capacity

a) Except as provided in subparagraph b) of this paragraph, a Shipper that fails to use all of its allocated capacity during a month of allocation shall have its allocation of capacity reduced in each subsequent month of allocation until the total reductions equal the amount of the deficiency. The amount of any such reduction shall be treated as unused allocated capacity and shall be reallocated among other Shippers in accordance with paragraph 50.

b) Reduction of a Shipper's allocation for failure to use its allocated capacity during a month of allocation may be waived, in whole or in part if the Carrier determines, in its

sole discretion, that the Shipper's failure to use all or some of its allocated capacity was due to factors beyond the Shipper's reasonable control.

60      Transfer of Allocated Capacity: Use of Affiliates

Except as provided in paragraph 50, allocated volumes that are allocated to a Shipper may not be assigned, conveyed, loaned, transferred to, or used in any manner by another Shipper. However, a Shipper's allocation may be transferred as an incident of a bona fide sale of the Shipper's business or to a successor to the Shipper's business by operation of law, such as an executor or trustee in bankruptcy. A Shipper may not use an affiliated or cooperating entity to obtain an increased allocation of allocated capacity or, in the case of a Regular Shipper, seek New Shipper status in order to pool two or more allocations to the benefit of the Shipper.

65      Allocation of Capacity Requiring Line Reversal

If a Shipper nominates Product to be transported in the opposite direction from the pipeline's current flow direction, the Carrier may delay such Shipment, as well as other Shipments slated for the same direction, until shipment in the opposite direction can be scheduled. In any case, the line direction shall be reversed not more than every other month to minimize Carrier's downtime. In the event that such delay causes the amount of Product waiting for shipment in the opposite direction to exceed the available capacity for the scheduled period, then the Shipments shall be allocated. The allocated capacity of each Shipper shall follow the rules set forth in paragraphs 15 through 60.