

## SMS Service Details

### Description

System Management Service (SMS) is available to any shipper with an effective Firm Throughput Service Agreement. SMS is a delivery point service providing no-notice firm delivery above or below the shipper's daily scheduled amount under its corresponding Firm Throughput Agreement up to the shipper's SMS entitlement without incurring daily delivery variance charges.

### Rules

Written requests to elect SMS may be sent directly to [nngcontracts@nngco.com](mailto:nngcontracts@nngco.com) or a marketing account representative. Each request must provide the shipper's name, contact information, related firm throughput agreement number, term of service, delivery point(s), and proposed MDQ. The delivery point(s) must be primary delivery point(s) or zone(s) for the associated firm throughput agreement.

The following rules apply regarding a new or amended SMS Agreement:

- Term of the SMS Agreement must match the term of the related Firm Throughput Agreement. However, if the Firm Throughput Agreement has a term of greater than five years, the SMS Agreement term may be limited to five years. A shipper may request SMS related to a Firm Throughput Agreement that is daily, monthly or seasonal as long as the term of the SMS Agreement matches the term of the Firm Throughput Agreement.
- Shipper may contract for any level of SMS for an annual period<sup>1</sup> of up to a maximum of the entitlement level of the corresponding Firm Throughput Agreement. SMS Agreement quantities must be the same for each month during the term of the SMS Agreement.
- Shipper can increase the SMS quantity during the term of the SMS Agreement.
- Except for temporary capacity release of SMS service, Shipper may not decrease SMS during the term. However, service can be extended for a lesser quantity.
- Upon written request and prior to gas flow, a shipper is eligible to realign SMS to an alternate point(s).
- Realignment of SMS may be requested daily prior to gas flow with the realignment to extend through the term of the SMS Agreement.
- Shipper cannot purchase monthly or seasonal SMS on a TF contract unless the related Firm Throughput Agreement is a temporary capacity release contract.
- Written requests for new SMS agreements must be fully executed, received by Northern and activated prior to gas flow at 9:00 a.m. for the applicable gas day.
- If a shipper acquires firm entitlement pursuant to a temporary recallable capacity release transaction and subsequently purchases SMS for the term of the release, and the releasing shipper recalls the transportation capacity, the SMS Agreement continues for the acquiring shipper. The acquiring shipper is responsible for the SMS Agreement since it was purchased with the understanding that the temporary capacity release could be recalled. However, if a shipper acquires firm entitlement that includes SMS and the transportation capacity is subsequently recalled, the SMS is recalled along with the transportation capacity.

<sup>1</sup> Except when the related Firm Throughput Service is for daily, monthly, or seasonal service.