

System Management Service Daily Delivery Variance Charges (DDVC) Examples for Other than Small Customers

Standard Day - No SOL/SUL/Critical Day in Effect¹ SUL in Effect¹ SMS Within Firm **TI Scheduled or TF Overrun** SMS Within Firm TI Scheduled or TF Overrun Entitlement Scheduled w/o SMS Service Entitlement Scheduled w/o SMS Service Firm Entitlement Scheduled **Firm Entitlement Scheduled** Punitive DDVC Punitive DDVC Market Area TI Rate \$0.00 Punitive DDVC Punitive DDVC Market Area TI Rate \$0.00 Punitive DDVC Punitive DDVC Actual Daily Quantity in Excess of Scheduled Quantity ę Market Area TI Rate \$0.00 Actual Daily Quantity in Excess Scheduled Quantity Positive DDVC (5%) Positive DDVC (5%) Market Area TI Rate \$0.00 FE FE Positive DDVC Positive DDVC (5%) Positive DDVC Positive DDVC (5%) Market Area TI Rate Market Area TI Rate \$0.00 \$0.00 SMS SMS Positive DDVC (5%) SMS SMS Positive DDVC (5%) \$0.0208 \$0.0208 Market Area TI Rate \$0.0208 \$0.0208 \$0.00 Tolerance² Tolerance² Tolerance² Tolerance² Tolerance² Tolerance² (5%) (5%) (5%) (5%) (5%) (5%) sq FE = SO SQ SQ FE = SQ SQ Tolerance² Tolerance² Tolerance² SMS SMS Actual Daily Quantity less than Scheduled Quantity \$0.0208 \$0.0208 (5%) (5%) (5%) Actual Daily Quantity less than Scheduled Quantity SMS SMS \$0.0208 \$0.0208 Negative DDVC Greater of 1.25x Index or \$1.00 Negative DDVC Negative DDVC Negative DDVC Greater of 1.25x Index or \$1.00 Greater of 1.25x Index or \$1.00 Market Area TI Rate Negative DDVC Negative DDVC Market Area TI Rate Market Area TI Rate

FE=Firm Entitlement³ SQ=Scheduled Quantities TF=Firm Transport

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Footnotes:

¹Includes customers who do not qualify as Small Customers under Northern's tariff. Index is equal to the highest published Platts "Gas Daily" Midpoint price on the applicable day at any of the applicable index points of: Market Area - Northern, demarc and Northern, Ventura; or

Field Area - Panhandle, Tx.-Okla. and El Paso, Permian.

² Tolerance is 5% of scheduled quantity.

³ Firm entitlement (FE) is the sum of the legal entity's MDQ, alternate firm scheduled and overrun/interruptible scheduled.