

GENERAL TERMS AND CONDITIONS

In the event that any Sourcer fails to comply with Northern's flow requirements to increase or reduce firm receipts at Carlton, for any reasons other than force majeure on an upstream pipeline, such Shipper shall pay a penalty of twenty-five dollars (\$25.00) for each MMBtu that does not comply with Northern's flow requirements to increase or reduce.

Northern reserves the right to waive any Carlton penalty in a not unduly discriminatory manner. Northern will post the date, amount, and reason for the waiver on its website for a 30-day period for any waived Carlton penalty. Penalty revenues shall be credited to Shippers in accordance with Section 57 of the GENERAL TERMS AND CONDITIONS of this Tariff.

All parameters described above for Other Carlton Entitlement or Sourcers will be outside of Northern's normal scheduling and curtailment parameters.

	<u>Commodity Charges</u>		
	<u>Nov-Oct</u>		
GS-T COMMODITY THROUGHPUT RATE			
Market Area	0.9026	1/	5/ 7/
Field to Demarcation	0.7260		
Field-to-Market	1.6286	1/	5/

BEAVER COMPRESSION FEE			
Incidental Jurisdictional Compression Fee	0.0400		

WATERVILLE STORAGE

The Market Area transportation rate, Fuel and UAF is charged for delivery to Waterville storage point (POI 922), or other similarly situated third party storage points in the Market Area. If redelivery from Waterville, or other similarly situated third party storage points, is to a Market Area point, there are no additional transportation, Fuel or UAF charges. If the redelivery is to a Field Area delivery point, the Field Area mileage/MID transportation rate and Fuel is charged.

CAPACITY RELEASE FEE (Rate per transaction)			
Marketing	Negotiated	2/	

DAILY DELIVERY VARIANCE CHARGE:

Non-SOL/SUL/Critical Day

Positive DDVC	1.0000	6/	
Positive/Critical DDVC			
First 2%	15.0000		
Next 3%	22.0000		
Negative DDVC	0.4000	6/	
Punitive DDVC	3/	6/	
Punitive/Critical DDVC			
Level I	56.5000		
Level II	113.0000		

SOL Day

Positive DDVC	<u>greater of 1.0000 or 1.25 times 8/</u>		
Negative DDVC	<u>0.0000</u>		
Punitive DDVC	<u>greater of 3/ or 2.0 times 8/</u>		

SUL Day

Positive DDVC	<u>0.0000</u>		
Negative DDVC	<u>greater of 1.0000 or 1.25 times 8/</u>		
Punitive DDVC	<u>0.0000</u>		

Critical Day

Positive/Critical DDVC			
First 2%	<u>greater of 15.0000 or 1.50 times 8/</u>		
Next 3%	<u>greater of 22.0000 or 1.75 times 8/</u>		
Negative DDVC	<u>0.0000</u>		
Punitive/Critical DDVC			
Level I	<u>greater of 56.5000 or 2.0 times 8/</u>		
Level II	<u>greater of 113.0000 or 3.0 times 8/</u>		

AUTHORIZED OVERRUN

TF, TFX, TI and GS-T Rate Schedules	4/		
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- 1/ In addition, Shipper shall pay the ACA unit surcharge as posted on FERC's website at <http://www.ferc.gov>.
- 2/ Northern will assess fee only in those instances outlined in Sheet No. 288.
- 3/ Charge equal to five (5) times the SMS monthly reservation fee.
- 4/ The Authorized Overrun Rate shall be equal to the TI rate for the applicable MID path shown in Sheet Nos. 59-60A.
- 5/ In addition, Shipper shall pay the applicable Electric Compression commodity rate as shown in Sheet No. 54.

- 6/ ~~On non-SOL/SUL/Critical Days t~~The rate will be the maximum November-March Market Area TI Rate during the November-March period, and the maximum April-October Market Area TI Rate during the April-October period.
- 7/ There will be no commodity charge for transportation from the Ventura pooling point (POI 78623) to the NBPL/NNG Ventura point (POI 192) and from the Ventura pooling point (POI 78623) to the MID 17 pooling point (POI 71458). In addition, there will be no commodity charge for transportation as set forth in Sheet Nos. 141, 142C and 147.
- 8/ 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.

Issued On: ~~May 20, 2020~~

Effective On: ~~May 1, 2020~~

RATE SCHEDULE SMS
SYSTEM MANAGEMENT SERVICE

1. AVAILABILITY

This Rate Schedule is available to any Shipper with an effective Firm Throughput Service Agreement as contained in Northern's FERC Gas Tariff ("Tariff"). The Shipper must also have an effective System Management Service, Service Agreement (SMS Service Agreement) with Northern in the form included in this Tariff prior to the commencement of service under this Rate Schedule. All throughput related services and rates are applicable as provided in this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

System Management Service (SMS) is a companion service to Firm Throughput Service. 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. The SMS entitlement begins after the applicable tolerance levels set forth in Section 48 of the GENERAL TERMS AND CONDITIONS of this Tariff (Section 48). To the extent Northern authorizes firm Throughput Overrun, SMS will provide tolerance above or below the total scheduled quantity (firm entitlement plus authorized overrun). However, Northern shall have the right to call a System Overrun Limitation (SOL), a Critical Day or a System Underrun Limitation (SUL). The SOL, SUL or Critical Day may limit the ability of SMS entitlement to be utilized above or below the scheduled volume, including overrun, on any given day ~~when such scheduled volume is in excess of firm entitlement as set forth herein.~~

SMS volumes are the daily volume variance between (i) the amount scheduled at the delivery point, plus or minus the tolerance, and (ii) the amount actually taken at the delivery point unless Northern has called an SOL, SUL or Critical Day.

~~SMS is not available above MDQ if a Critical Day has been called. Effective February 1, 2005, if an SOL or Critical Day has been called, SMS may not be available above or below the MDQ, unless SMS coverage above or below MDQ has been authorized. The minimum level of available SMS below MDQ during an SOL is 75%. The minimum level of available SMS below MDQ on a Critical Day is 50%. When Northern calls an SOL or Critical Day, Northern will ~~also~~ indicate the level of SMS service if any, authorized to be made available above or below MDQ. If SMS above or below the MDQ is offered, Northern will post on its website the percentage of SMS that may be utilized ~~above MDQ during an SOL, ranging from 0-100% above MDQ and 75-100% below MDQ. If SMS above or below the MDQ is offered on a Critical Day, Northern will post on its website the percentage of SMS that may be utilized, ranging from 0-100% above MDQ and 50-100% below MDQ.~~ The website posting of available SMS service levels will be made concurrently with the SOL or Critical Day declaration. The 5% tolerance will not be available on volumes above the MDQ on SOL or Critical Days. The tolerance on volumes below the MDQ will be up to 4% not to exceed the MDQ on an SOL and up to 3% not to exceed MDQ on a Critical Day. If SMS coverage above MDQ has not been authorized, SMS coverage will not be available unless throughput overrun has been scheduled in which case SMS is available below the scheduled level.~~

If a SUL has been called, SMS is available at least 75% below the throughput scheduled and SMS is available above the scheduled level. ~~However, no five percent (5%) tolerance will apply below the Shipper's scheduled volume before the positive DDVC's apply. If SMS below the scheduled quantities is offered during an SUL, Northern will post on its website the percentage of SMS that may be utilized, ranging from 75-100%. The website posting of available SMS service levels will be made concurrently with the SUL declaration.~~ However, Small Customers tolerance and negative DDVC levels, as set forth in Section 48, apply at all times, even when an SUL, SOL or Critical Day is called. ~~SMS volumes are charged the SMS commodity charge.~~

SMS service allows the Shipper to exceed or take less than its firm entitlement, up to the SMS quantity, unless an SOL or Critical Day has been called. In addition to the SMS demand and commodity charges, all applicable throughput charges will also be assessed.

Also, see Section 48 of the GENERAL TERMS AND CONDITIONS of this Tariff, "Daily Delivery Variance Charges (DDVC)," which sets forth how SMS service operates in conjunction with DDVCs.

3. SMS QUANTITIES

The Shipper may contract for any level of SMS (SMSQ) for an annual period up to a maximum of the entitlement level of the corresponding Firm Throughput Agreement. SMS must be designated for the zone or delivery points as stated in the corresponding Firm Throughput Agreement and, upon written request prior to gas flow, is eligible at an alternate point(s).

| Issued On: ~~September 24, 2010~~

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48. Daily Delivery Variance Charges (DDVC)

A. General

Shippers are required to take actual daily volumes at their delivery point(s) as close to daily scheduled volumes as possible. In the event that actual daily volumes vary from daily scheduled volumes, Shippers are subject to Daily Delivery Variance Charges (DDVC), after a tolerance has been considered (except as provided below in System Overrun Limitation, System Underrun Limitation, or on a Critical Day).

There are five (5) types of DDVC's: a Positive DDVC, a Positive/Critical Day DDVC, a Negative DDVC, a Punitive DDVC and a Punitive/Critical Day DDVC. The rate for each is set forth on Sheet No. 53.

Also, see Rate Schedule SMS of this tariff, "System Management Service".

- B. Positive DDVC. In the absence of an SOL or Critical Day being called (as described below), the Positive DDVC shall apply under the following conditions:

For TF and TFX

- 1) If daily volumes scheduled at the delivery point are less than the MDQ, the Positive DDVC applies to daily volumes in excess of all daily volumes scheduled at the point plus a tolerance of five percent (5%) of scheduled volumes at the point, up to a level equal to the MDQ plus five percent (5%) of the MDQ.
- 2) If daily volumes scheduled at the delivery point are equal to or greater than the MDQ, the Positive DDVC applies to the first five percent (5%) of the daily scheduled volumes in excess of all daily volumes scheduled at the point plus a tolerance of five percent (5%) of scheduled volumes at the point.
- 3) If the Shipper has subscribed to service under Rate Schedule SMS, the Positive DDVC, as determined in 1) and 2) above, will apply to volumes in excess of the scheduled volume plus the five percent (5%) tolerance plus the SMS Contract Quantity (SMSQ).
- 4) The tolerance level for Small Customers who have not bypassed Northern's system in 1) and 2) above shall be the greater of five percent (5%) of all scheduled volumes at the point or 650 MMBtu. The tolerance level for Bypassing Small Customers shall be equal to the Bypassing Small Customer's MDQ.

The Positive DDVC level for Small Customers who have not bypassed Northern's system is as follows: if daily volumes scheduled at the delivery point are less than the MDQ, the Positive DDVC applies to daily volumes in excess of all daily volumes scheduled at the point plus a tolerance level of the greater of five percent (5%) of scheduled volumes at the point or 650 MMBtu, up to a level equal to the MDQ plus the greater of five percent (5%) of the MDQ or 650 MMBtu. If daily volumes scheduled at the delivery point are equal to or greater than the MDQ, the Positive DDVC applies to the greater of the first five percent (5%) of the daily scheduled volumes or 650 MMBtu in excess of all daily volumes scheduled at the point plus a tolerance of the greater of five percent (5%) or scheduled volumes or 650 MMBtu at the point.

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48. Daily Delivery Variance Charges (DDVC)

- C. Negative DDVC. Unless an SOL, SUL or Critical Day has been called (as described below), the Negative DDVC shall apply to the daily volumes at each delivery point which are less than the sum of all daily volumes scheduled at the point, after a tolerance of five percent (5%) of all daily volumes scheduled at the point has been considered. The tolerance for Small Customers who have not bypassed Northern's system is the greater of five percent (5%) of all daily volumes scheduled at the point or 650 MMBtu. The tolerance level for Bypassing Small Customers shall be equal to the Bypassing Small Customer's MDQ. If Shipper has subscribed to service under Rate Schedule SMS, the Negative DDVC applies only to the actual volumes taken that are less than the scheduled volumes, less the sum of the tolerance and the SMSQ.
- D. Punitive DDVC. The Punitive DDVC shall apply to the daily volumes at each delivery point that are in excess of the Positive DDVC level as determined above.
- E. System Overrun Limitation (SOL). In the event that the pipeline system operating integrity is in jeopardy, an SOL may be called for all or part of the SMS entitlement above or below MDQ. When an SOL is in effect SMS may not be available above or below the MDQ. The minimum level of available SMS below MDQ is 75%. Any decision by Northern to call an SOL will also involve a decision on the level of SMS service that would be authorized above or below MDQ. If SMS is offered, Northern will post on its website the percentage of SMS that may be utilized above the MDQ, ranging from 0-100% or below the MDQ, ranging from 75-100%. The website posting of available SMS service levels will be made concurrently with the SOL declaration. -If throughput overrun has been scheduled during an SOL, SMS is available below the scheduled level, but the five percent (5%) tolerance will not apply above the Shipper's MDQ (including any overrun volumes scheduled) before the Positive or Punitive DDVC's apply. The tolerance on scheduled volumes below the MDQ will be up to four percent (4%) not to exceed the MDQ on an SOL. However, Small Customer and Bypassing Small Customer tolerances and positive DDVC levels as set forth in paragraph B.4 above apply at all times, even when an SOL is called. In addition, when an SOL is in effect, if the sum of the scheduled volume on all of Shipper's firm and interruptible Throughput Service Agreements is equal to or greater than the Shipper's MDQ and no SMS is being authorized above the MDQ, then the tolerance is not available above the MDQ level. However, in such case, SMS is available up to the Shipper's MDQ. Further, Small Customers and Bypassing Small Customers retain their use of tolerance and positive DDVC levels as set forth in paragraph B.4 above, and SMS on SOL or Critical Days, and Small Customers and Bypassing Small Customers are not subject to the foregoing limitation.

An SOL may be called for all or part of the system by localizing the smallest affected area, beginning with individual points, followed by branchline, operational zone, Market/Field Area, and up to the entire system, in that order. Northern will post the SOL on the website no later than 3:00 p.m. -CST of the gas day for which SOL has been called. Northern will determine the operating status of the pipeline system using the following criteria: weather forecast; system conditions-line pack, overall projected pressures at monitored locations and storage conditions; facility status-horsepower utilization and availability; and overall send-out projections and availability. In the event any or all of these criteria cause Northern's operating condition to severely deteriorate, a Critical Day may be called in Northern's sole discretion.

- F. Critical Day. Northern shall have the right to post a Critical Day notice in order (i) to alleviate conditions which threaten the integrity of its pipeline system, (ii) to maintain pipeline operations at the pressures required to provide an efficient and reliable firm transportation service to Shippers, and (iii) to maintain its pipeline system in balance for the foregoing purposes. A Critical Day may be called for all or part of the system by localizing the smallest affected area, beginning with individual points, followed by a branchline, operational zone, Market/Field Area, and up to the entire system, in that order. When possible, Northern will limit the Critical Day notice to the offending Shipper(s). The following events and/or operational variables could cause Northern to issue or end a Critical Day:
- (i) weather forecast;
 - (ii) system conditions including line pack;
 - (iii) overall projected pressures at monitored locations;
 - (iv) storage conditions; and
 - (v) facility status including horsepower utilization and availability.

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Before issuing a Critical Day notice, an SOL Day will be posted. Prior to posting a Critical Day notice, subject to timing and availability, Northern will use its operating tools to attempt to alleviate the operational concern. Such tools include line pack, operational storage, Carlton Resolution, LNG, and System Balancing Agreements (SBA).

When a Critical Day is in effect SMS may not be available above or below the MDQ. The minimum level of available SMS below MDQ is 50%. Any decision by Northern to call a Critical Day will also involve a decision on the level of SMS service that would be authorized above or below MDQ. If SMS is offered, Northern will post on its website the percentage of SMS that may be utilized above the MDQ, ranging from 0-100% or below the MDQ, ranging from 50-100%. The website posting of available SMS service levels will be made concurrently with the declaration of a Critical Day.

1. Notice. Northern will post the Critical Day notice on its website no later than two and one-half (2 1/2) hours prior to the NAESB Grid Cycle nomination deadlines for the Critical Day Gas Day. The Critical Day will remain in effect for the remainder of the Gas Day. Northern will post a new notice for each subsequent Gas Day, as applicable. The notice will contain the following information:
 - (i) The affected area;
 - (ii) Offending Shipper(s), if known, subject to the Critical Day;
 - (iii) The day and time that the Critical Day will become effective;
 - (iv) The operational variables for the following: line pack and projected long/short gas;
 - (v) Weather forecasts; and
 - (vi) Demarc and MIP prices; and
 - ~~(vi)~~(vii) Availability of SMS above or below MDQ.
2. Reporting. Northern will post on its Internet website within a reasonable period of time following the conclusion of the Critical Day, a report describing the conditions that required the issuance and the termination of the Critical Day.
3. Critical Day DDVCs. In the event Northern calls a Critical Day, the determination of the volumes subject to Positive DDVC and Punitive DDVC are as set forth above in this Section, and no tolerance will apply above the Shipper's MDQ (including any overrun volumes scheduled) before DDVC's apply. The tolerance on scheduled volumes below MDQ will be up to 3% not to exceed MDQ on a Critical Day. However, the rates such Positive volumes and Punitive volumes are charged shall be the Positive/Critical Day DDVC rates and Punitive/Critical Day DDVC rates, respectively. The first two percent (2%) of Positive/Critical Day DDVC volumes are charged the greater of \$15/MMBtu or 1.5 times the indices as set forth in Sheet No. 53 and the next three percent (3%) are charged greater of \$22/MMBtu or 1.75 times the indices as set forth in Sheet No. 53. The Punitive/Critical Day DDVC rates are also charged at two (2) levels: Level I shall apply to the five percent (5%) of the daily volumes at each delivery point that are in excess of the Positive/Critical DDVC level, and Level II shall apply to any excess volumes above Level I. Level I and II DDVC charges are set forth in Sheet No. 53. However, Small Customer and Bypassing Small Customer tolerances and positive DDVC levels as set forth in paragraph B.4 above apply at all times, even when a Critical Day is called. Small Customer and Bypassing Small Customer Positive/Critical DDVC levels are the greater of \$15/MMBtu or 1.5 times the indices as set forth in Sheet No. 53 for the greater of the first 2%, or 260 MMBtu, and the greater of \$22/MMBtu or 1.75 times the indices as set forth in Sheet No. 53 for the greater of the next 3%, or 390 MMBtu. In addition, when a Critical Day is in effect, if the sum of the scheduled volume on all of Shipper's firm and interruptible Throughput Service Agreements is equal to or greater than the Shipper's MDQ, then the tolerance is not available above the MDQ level. However, in such case, SMS is available up to the Shipper's MDQ. Further, Small Customers and

Bypassing Small Customers retain their use of tolerance and positive DDVC levels as set forth in paragraph B.4 above, and SMS on SOL or Critical Days, and Small Customers are not subject to the foregoing limitation. In the event Northern posts a Critical Day notice to be effective during the Intraday 1, Intraday 2 or Intraday 3 nomination cycle, Northern will only impose penalties resulting from a Critical Day prospectively. However, should a Critical Day be called during an Intraday 2 or Intraday 3 nomination cycle, Northern will only apply the Critical Day penalty charges to shippers who reduce their nominations in the Intraday 2 or Intraday 3 cycle, but still take volumes in excess of the reduced nomination.

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- G. SOL or Critical Day at a Point or Branchline. When an SOL or Critical Day is called at individual point(s) or on a branchline(s) and the affected Shipper(s) have nominated and scheduled volumes at a zone level, the DDVC variance will be the difference between the individual point MDQ as set forth on Appendix B of their Service Agreement and the actual deliveries for each point in the affected area. Small Customers retain their use of tolerance and positive DDVC levels as set forth in paragraph B.4 above and SMS when an SOL has been called to a point or Branchline level and Small Customers are not subject to the foregoing limitation. In the event Northern calls an SOL or Critical Day, SMS may be available as detailed in this Section 48.
- H. System Underrun Limitation (SUL). In the event that the pipeline system operating integrity is in jeopardy, an SUL may be called. When an SUL is in effect SMS is available at least 75% below the throughput scheduled and SMS is available above the scheduled level, however, no five percent (5%) tolerance will apply below the Shipper's scheduled volume before the Positive DDVC's equal to the greater of \$1.00 or 1.25 times the indices as set forth in Sheet No. 53~~rate~~ will apply. -However, Small Customer's tolerance and Negative DDVC levels as set forth in paragraph C. above apply at all times, even when an SUL is called.

If SMS below scheduled quantities is offered during an SUL, Northern will post on its website the percentage of SMS that may be utilized, ranging from 75-100%. The website posting of available SMS service levels will be made concurrently with the SUL declaration.

An SUL may be called for all or part of the system by localizing the smallest affected area, beginning with individual points, followed by branchline, operational zone, Market/Field Area, and up to the entire system, in that order. Northern will post the SUL on the website no later than twenty-seven (27) hours prior to the Gas Day for which SUL will be called. Northern will determine the operating status of the pipeline system using the following criteria: weather forecast; system conditions-line pack, overall projected pressures at monitored locations and storage conditions; facility status-horsepower utilization and availability; and overall send-out projections and availability.

On an SUL day, Northern has the right to require Shippers whose scheduled quantities will contribute to the SUL situation to source their gas at other receipt points on Northern's system. A Shipper will not be required to source their gas at other receipt points if Northern is able to verify and confirm that such Shipper's scheduled quantities are not contributing to the SUL situation. Northern will require Shippers to move in the following order:

1. TI Shippers
2. Firm Shippers utilizing Alternate receipt point(s)
3. Firm Shippers with multiple Primary receipt points on their contract
4. Firm Shippers with a single Primary receipt point on their contract.

Shippers must be within their MDQ. Shippers will be required to move on a pro rata basis within each of the four (4) categories listed above.

Any Shipper required to utilize a different receipt point as stated above, will not be subject to DDVCs for any day that Shipper is required by Northern to move to a different receipt point.