



Northern's Force Majeure Notice Related to Receipt Point Shortfall Posted February 14-16, 2021 — Frequently Asked Questions

Northern Natural Gas (Northern) has received questions regarding its force majeure notice posted February 15-16, 2021, and the subsequent updates to the notice, related to [Receipt Point Shortfall](#). Northern believes accuracy and full disclosure of information is especially important following the severe weather events in February and provides responses to the most frequently asked questions below.

If you have additional specific questions on this topic, please submit questions in writing to nngcustomerservice@nngco.com. Northern will review the questions, provide a response, and will post the information on its website, if appropriate.

What occurred on February 15, 2021, that prompted Northern to post a force majeure notice?

A significant receipt point shortfall at several receipt points in Northern's Field Area occurred in a relatively short period of time beginning in the early morning hours of February 15, 2021. Northern was fully prepared to accept scheduled deliveries of gas by Field Area customers, but the gas that had been scheduled failed to be delivered to Northern. The result was a significant receipt point shortfall in Northern's Field Area.

Why did Northern post a force majeure notice?

For Northern to provide scheduled transportation service, Northern's system must retain a balance of receipts and deliveries. Northern posted the force majeure notice because of the potential that Northern would need to take action outside of the normal North American Energy Standards Board (NAESB) gas day nomination and scheduling cycles in response to widespread customer non-performance (i.e. the significant receipt point shortfall in Northern's Field Area) to maintain the reliability of Northern's pipeline system. Northern is not able to accommodate significant supply shortfalls without impacting scheduled deliveries.

Northern's original force majeure notice stated "Due to a significant receipt point shortfall at the majority of receipt points in Northern's Field Area, Northern is calling a Force Majeure event. This event is requiring Northern to physically curtail the Field Area deliveries associated with the underperforming receipt points."

a. What action did Northern take pursuant to the force majeure notice?

Northern was not required to take any action after posting the force majeure notice. By working with Field Area customers beginning in the early morning hours and continuing throughout Gas Day February 15, Northern was able to maintain deliveries despite the significant loss of gas from its Field Area customers.

b. Other than as described in a. above, how were customers impacted by the receipt point shortfall?

In the Intraday 1 cycle for Gas Day February 15, the normal scheduling process addressed the shortfall of gas associated with certain Field Area customers' non-performance. The shortfall was recognized in the scheduling process and resulted in customers' scheduled deliveries matching receipts.

The receipt point shortfall was addressed pursuant to Northern's tariff ([Sheet No. 227](#)).



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Was Northern's ability to transport natural gas impaired in any way?

No. Northern's facilities were fully operational and Northern was always able to provide the service its customers had contracted for. Northern's ability to transport gas received into its system was not impacted by the receipt point shortfall that occurred in the Field Area. Had the customers' volumes been delivered into Northern's system at the various receipt points, Northern would have transported the volumes under the terms of the service.

Were there any problems or issues with Northern's facilities?

No. There was no outage on Northern's system and Northern did not experience any equipment failure or diminution of Northern's ability to perform. Northern was successful in delivering to customers the volumes that were supplied to its system and maintained that ability, up to 100% of firm capacity, throughout the weather event. Our compression facilities maintained 100% reliability, underground storage facilities met all delivery requirements, and liquefied natural gas facilities achieved 100% availability, which was critical to maintaining system pressures and sufficient line pack requirements. Line pack daily targets were exceeded, putting Northern in a strong position to serve its customers during the unprecedented stretch of high demand.

Was Northern experiencing any issues on its system that would have prevented natural gas sourced from its Field Area from being transported into the Market Area during the force majeure event?

No. Northern's facilities were fully operational; no equipment failure on Northern nor diminution of Northern's ability to perform occurred at any point on Northern's system that would have prevented Northern from fully performing its obligation to transport volumes from its Field Area into its Market Area, including volumes at the NNG Demarcation point.